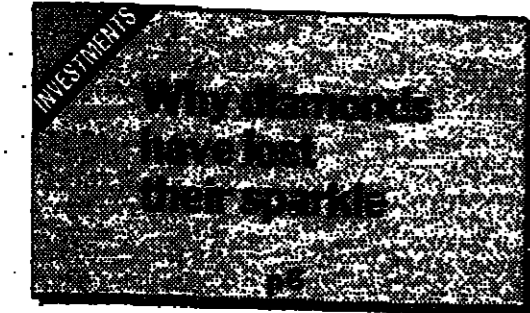


For details of industrial development sites contact Steve Wehrle, Dept. FT, The Civic Centre, Newport, Gwent, Tel: (0633) 65491

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Dornford Yates: The private world of a literary enigma



The £59,000 turbo Bentley makes a bow

Aftermath: Art in France 1945-55 Barbican Centre

NEWS SUMMARY

Teachers to act over pay row

Tuite move

KGB challenge

Venus landing

Cyclone relief

Hathaway theft

Ripper damages

No violence

FT man tapped

Player named

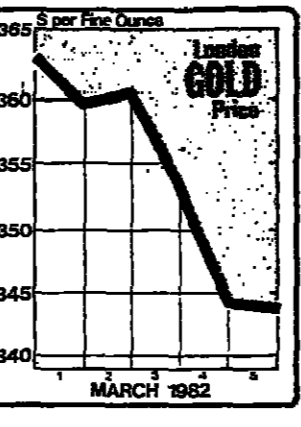
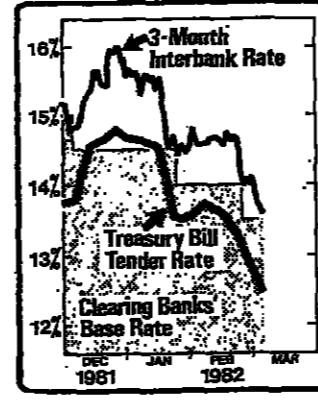
Briefly

CHIEF PRICE CHANGES YESTERDAY

Table with columns for RISES and FALLS, listing various commodities and their price changes.

Cut in mortgage rate expected next week

BY MICHAEL CASSELL AND MAX WILKINSON. BUILDING SOCIETIES are expected to cut their mortgage rates by about 1 1/2 percentage points next week...



Gold falls to \$343.25 in London

THE GOLD PRICE slipped further yesterday as both the Soviet Union and Iran recently reported to be unloading bullion...

Paisley's claim to lead N. Ireland rebuffed in election

BY MARGARET VAN HATTEM, POLITICAL STAFF. THE REV IAN PAISLEY'S claim to the leadership of Protestant Ulster received a rebuff in yesterday's South Belfast by-election...

Table titled 'THE RESULT' showing election results for various candidates and parties.

OPEC drops emergency session to avoid open disagreement

BY RICHARD JOHNS. THE Organisation of Petroleum Exporting Countries has dropped plans to meet in emergency session in Geneva next weekend because of fears that failure to agree on a unified oil pricing and production strategy during the current world oil glut might seriously jeopardise Opec's future...

Denied

Among other countries rumoured to have been selling recently are Romania and Singapore. Iran has denied that it has been involved.

Defence

However, the successful defence of the party's last remaining Belfast seat may inject new life into a demoralised party, which had begun to think the Paisleyite bandwagon was unstoppable.

5 in New York

Table showing election results for 5 seats in New York.

Thatcher bolsters transport team to tackle BR problems

BY PETER RIDDELL, POLITICAL EDITOR. Mr Clarke has been widely seen at Westminster as an impressive defender of the Government's transport policy when the political standing of Mr David Howell, the Transport Secretary, has been under pressure from Tory backbenchers...

UNIT TRUSTS advertisement for THE M&G GROUP, featuring various investment options and a table of performance data.

CONTENTS table listing various sections of the newspaper and their page numbers.

OVERSEAS NEWS

W. German rate of inflation slows in February

BY STEWART FLEMING IN FRANKFURT

WEST GERMANY'S year on year inflation rate slowed significantly last month to 5.8 per cent, the Government said yesterday.

The slowdown is the most encouraging inflation news for the economy for some months. It comes as the key negotiations in the current wage round appear to be reaching a head.

Against a background of token strikes organised by West Germany's largest trade union, I. G. Metall, one of the metal industry's major employers, Volkswagen, offered its workers a 3.9 per cent wage increase.

The offer is slightly higher than the 3 per cent increase which employers in other district negotiations have proposed. This reinforces the impression emerging from arbitration negotiations that progress is being made towards bringing the two sides together.

The further decline in the inflation rate—February's 5.8 per cent compares with a 6.3 per cent rate of increase in the two previous months and the peak rate of 6.7 per cent in October—will put pressure on the union to modify its position.

I. G. Metall has so far stuck to its initial 7.5 per cent wage claim, although most observers conclude that the dispute now revolves around whether the increase will be between 3 and 4 per cent, as the employers want, or a rise of between 4 and 5 per cent.

A speedy settlement of the metal industry wage round with a rise of about 4 per cent could clear the way for the Bundesbank, the German central bank, to ease interest rates further.

The Bundesbank yesterday added D M50n (£1.9bn) of short-term liquidity to the financial markets through repurchase agreements at an interest rate of 9.75 per cent.

The Bundesbank is watching for a settlement in the pace-setting metal industry wage talks before deciding whether it has further room for manoeuvre in reducing interest rates.

The further decline in the cost of living—the month on month increase in February was 0.3 per cent—will help the Bundesbank decide whether to ease its monetary policy. So too will the better performance recently of the dollar against the foreign exchanges.

The latest economic statistics for the industrial sector have underlined the need for lower interest rates to help revive the German economy.

The Government has reported that industrial production in January continued to be weak, although there was some recovery from December's depressed level, the combined figures for the two months still show industrial production to be stagnating compared with the two previous months.

New industrial orders in January were 2.8 per cent down compared with January a year ago.

Peking frees Kuomintang officials in unity move

By Tony Walker in Peking

IN AN apparent further attempt to create favourable conditions for reunification talks, Peking yesterday announced it was releasing more than 4,000 Kuomintang officials from jail and would pay their fares to Taiwan if they wanted to leave.

The announcement by the New China News Agency said those to be released would include party, government and military personnel below county or regimental level. This presumably refers to minor officials still held in custody.

This is the second large batch of Kuomintang personnel the Chinese have released over the past 10 years. In 1975, China released officials above county or regimental level.

Today's New China News Agency story gave no clue as to how many Kuomintang officials still remained in custody. Zhao Cangbi, the Chinese public security minister, said those officials to be released had "repented and by a large turned over a new leaf after a long period of education and reform."

Mr Zhao said "proper arrangements" would be made for the released officials. Jobs would be assigned to those who still had the ability to work. "Those who wish to return to Taiwan will be provided with adequate fares and conveniences."

In September last year, China put forward a nine-point programme for the reunification of Taiwan with the mainland. The proposal included guarantees of autonomy for Taiwan after reunification, including the continuation of its present social and economic system and maintenance of its armed forces.

China said that it was willing to negotiate with the Nationalists on the basis of equality and to accept Taiwanese officials in senior posts in the central Government.

The Chinese proposal sought to reassure the Taiwanese that socialism would not be imposed on them, but Taipei rejected the offer.

Since September, China has continued its efforts to persuade Taiwan to enter into negotiations and has made other gestures along these lines, including promoting several former prominent Nationalist officials to senior ceremonial posts in the Chinese People's Consultative Conference.

DOUBT OVER HAIG CLAIM

Supposed Nicaraguan disappears

BY ANATOLE KALETSKY IN WASHINGTON

THE NICARAGUAN OFFICER who was said by the U.S. Administration to have been captured in El Salvador, leading the guerrillas, has escaped, according to the Salvadorean Defence Minister, Gen Guillermo Garcia.

Gen Garcia was contacted late on Thursday night after Mr Alexander Haig, the U.S. Secretary of State, had told a Congressional committee in Washington that the capture of a Nicaraguan officer by Salvadorean troops confirmed the Reagan Administration's contention that the insurgency in El Salvador is "commanded and controlled" from Nicaragua and Cuba.

Soon after this Sen Napoleon Duarte, the President of El Salvador, told reporters that

"honestly at this moment" he did not know about the Nicaraguan officer. Garcia later told CBS news that the Nicaraguan had indeed been captured several days ago and that he had entered El Salvador as "a subversive adviser."

The Nicaraguan, named as Sr Ligdamis Anaxiis Gutierrez, was being held for questioning when he escaped under mysterious circumstances, when being taken to the Mexican Embassy in San Salvador to identify another suspect, according to Gen Garcia.

Mexican Embassy officials denied all knowledge of this story and the U.S. State Department said yesterday that it had

"no further details" about the Nicaraguan officer beyond what Mr Haig had told Congress on Thursday.

The whole incident could have serious repercussions for the Reagan Administration in its attempts to win over Congressmen and U.S. public opinion to support its policy in El Salvador.

Mr Haig's increasingly strident references to Nicaraguan internal politics now appears to be the main public justification for continuing the flow of U.S. military support to the El Salvador Government. The disappearance of the Nicaraguan officer who was said to have been captured in El Salvador, could sow doubts in the U.S. public's mind about this justification.

Cuban backing for El Salvador guerrillas provided so far. On Thursday Mr Haig promised to give individual Congressmen more detailed intelligence evidence on Cuban involvement in subversive activities in Central America.

The charge of external interference in El Salvador's internal politics now appears to be the main public justification for continuing the flow of U.S. military support to the El Salvador Government. The disappearance of the Nicaraguan officer who was said to have been captured in El Salvador, could sow doubts in the U.S. public's mind about this justification.

Polish priest jailed for 'slandering' army regime

A MILITARY COURT has sentenced a Roman Catholic priest to 3 years in prison for slandering Polish leaders in a sermon delivered one week after imposition of martial law, a Warsaw newspaper said yesterday.

This was the first reported instance of legal action against a priest by martial law authorities.

The newspaper *Standart Młodych* said the court meted out the sentence to Father B. Jowalski following a trial in Krakow. The prosecutor had asked for six years imprisonment, the paper added. There was no indication of when the verdict was handed down.

Polish officials had confirmed that one priest was on trial for slandering Gen Jaruzelski, the Polish military leader, but other details were withheld.

The verdict was reported a few hours before a U.S. Congressional delegation was to meet with Archbishop Jozef Glemp, Primate of the Polish Church. The delegation arrived on Thursday for a three-day fact-finding trip, and was also due to meet with Government Ministers.

Meanwhile, Poland's hard-line army newspaper *Solnyce Wolnosci*, warned of "terrorism" in the country and said it would be "dangerous to ignore" such crimes.

"A significant cause of acts of terror in our country must be seen in the effects of indoctrination by anti-socialist organisations and the extreme wing of Solidarity prior to the introduction of martial law," it said.

U.S. sends envoy to Chile for human rights assurances

BY OUR WASHINGTON CORRESPONDENT

THE U.S. State Department has sent a top official to Chile in an apparent attempt to obtain assurances on human rights from the regime of President Augusto Pinochet before resuming military aid.

The aid was promised by President Ronald Reagan last December.

Officially, Mr Thomas Enders, Assistant Secretary of State for inter-American affairs, is travelling to Chile and Argentina to "discuss all aspects of U.S. relations with these two governments." But the main reason for his trip to be the dispute within the Reagan Administration over the resumption of military aid to Chile.

The congressional vote which gave President Reagan the power to supply arms and military aid, requires him to certify that Chile has made "significant progress in complying with

internationally recognised standards of human rights."

The State Department's Bureau of Human Rights and the Justice Department have been preparing reports on Chile's human rights record. They are reported to have doubts about the possibility of certification.

In addition, there is concern in the Administration that a controversial human rights certification on Chile may revive attacks on the President's claim that human rights have been improving in El Salvador.

The military aid proposed for Chile amounts to only \$50,000 (£27,500) for training.

President Jimmy Carter's decision to stop aid in 1977 on human rights grounds was strongly attacked by right-wing groups.



President Ronald Reagan and his wife Nancy sit on the dock at "Lake Lucky" on their ranch in Santa Barbara, California, where they are celebrating their 30th wedding anniversary.

No plan to keep out imports—Mauroy

BY JOHN WYLES IN BRUSSELS

M PIERRE MAUROY, the French Prime Minister, denied yesterday that protection against imports formed any part of his Government's strategy for reviving some of France's basic industries.

At the end of a visit to the European Commission, M. Mauroy admitted with remarkable candour that electoral campaign slogans cannot be literally applied, once in government.

He was referring to the Socialist Party's promise to "reconquer the domestic market" which has since given birth to an industrial strategy whose protectionist features are seriously worrying France's Community partners.

"Reconquering is a slogan which was needed in the electoral campaign. But we have to adapt it, because you can't use the phrase in the same way once you have Governmental responsibilities," the Prime Minister said. He added: "The experiment which is going on now is not protectionist and in no way can it be protectionist."

M Mauroy is understood to have given the 14-man Commission the same assurance during a two-hour meeting yesterday morning. He told the Commission, and later repeated publicly, that the main thrust of the French approach was to make its industries more competitive.

The Commission, however, is likely to remain both suspicious and vigilant. M Mauroy, after all, was speaking less than three hours after the European Court had issued an interim ruling that France's ban on Italian wine imports was flouting EEC rules.

Brussels officials are still examining France's plans for the revival of its machine tools, leather footwear, toys, textiles and furniture industries. But the general feeling among top Commission officials is that M Mauroy and his colleagues are so driven by their desire to reduce unemployment that they have hardly started to notice that there are EEC rules limiting Government aids and restricting moves to control imports.

Easing of tax in Singapore modest budget

By Kathryn Davis in Singapore

IN A modest budget apparently tailored to offset domestic political pressures, Singapore's Minister of Trade and Industry, Dr Tony Tan, said yesterday that there will neither be new taxes nor tax increases in fiscal 1982 which begins next month.

Forecasting a 66.3 per cent rise in the budget deficit, to \$83,066n (£795m) Dr Tan announced four concessions for individual taxpayers at an estimated cost to the Treasury of \$811.4m. From 1983, contributions to the Government's compulsory savings scheme, the Central Provident Fund (CPF) and contributions to other approved pension and provident funds, will be fully tax deductible on amounts over \$85,000.

Public utility bills (including electricity, water and gas) will no longer be subject to 10 per cent fixed charges. Tax will henceforth only be payable on consumption.

Relief for the care of elderly dependants is to be increased, and exemption from estate duty on residential properties is to be raised to the full value of any one property or the existing exemption, \$360,000, whichever is the greater.

In the corporate sector, Dr Tan paid scant attention to the delegations which had asked for tax concessions prior to the budget. He said that in order to encourage offshore gold transactions as well as to develop the gold market further, gold deposits with bullion companies held by foreigners, who are neither resident nor domiciled in Singapore, will not be liable to estate duty.

In what he described as "a modest concession" he announced that stamp duty on Asian Currency Units (ACUs) offshore loan agreements, abolished on April 1, 1980, will not be subject to *ad valorem* stamp duty (maximum \$8500) when repatriated to Singapore even if signed before 1980.

Total estimated expenditure for 1982 is \$812,440m, compared with \$89,632m in the current year.

Most of the modest tax concessions announced by Dr Tan are aimed at lower-paid Singaporeans.

Portugal censure motion fails

By Diana Smith in Lisbon

THE PORTUGUESE coalition Government has survived a censure motion proposed by the Socialist Party.

The parliamentary majority enjoyed by Sr Francisco Balsemao's alliance of social Democrats, Christian Democrats and Monarchists made it impossible for the Socialist Party to move to more than a formal show of opposition.

It seemed, from the tepid debates over the motion, that Sr Mario Soares and his Socialist Party were as keen to be seen as an active opposition as to present a concrete set of alternatives to the Balsemao Government's policies.

The Portuguese Communist Party, which has sworn to topple the Government, is back on the attack.

The party's tied union confederation, CGTP, is holding more than 20 rallies across the country today.

The second strike in a week by pilots at Portugal's ports—extending to the southern tanker port of Sines—is causing expensive delays to shipping. The pilots, who are striking for improved wages and conditions, say they will come out indefinitely on March 9 if their demands are not met.

U.S. unemployment continues to rise

BY ANATOLE KALETSKY IN WASHINGTON

AFTER its freak dip to 8.5 per cent in January, unemployment in the U.S. continued its steady climb last month, rising to 9.6m or 8.8 per cent of the labour force.

Administration officials and private economists are virtually unanimous in predicting that unemployment will soon exceed its post-war peak of 9 per cent, reached in May 1975. Earlier this week Mr Tom McNamara, Deputy Treasury Secretary, conceded that the unemployment rate could move into double figures later this year even if the economy begins to recover.

The January and February figures probably understate the true magnitude of the problem. The unprecedented cold weather has deterred people from seeking work and thus reduced the apparent size of the labour force, so there is little comfort in the fact that February's seasonally adjusted rate of 8.8 per cent is exactly the same as the rate recorded in December.

Nevertheless, it does appear that the underlying rate of increase is slowing down. Between July, when the current upturn in unemployment began, and December, the unemployment rate increased by 1.6 per cent after seasonal adjustment.

In addition to the increase in wholly unemployed workers, there has been a big jump in part-time working by people who have given up the search for full-time work. Part-time working increased by about 500,000 to a record figure of 5.6m.

The significance of unemployment as a social problem is indicated by the breakdown of joblessness by race and age. Unemployment among blacks is now 17.3 per cent, compared with white unemployment of 7.7 per cent. Teenage unemployment has risen to 22.3 per cent and the rate for black teenagers, aged between 16 and 19, is recorded as 42.3 per cent.

Attempt to kill 'heir' to Khomeini

By Terry Povey

GUERRILLAS IN Iran have tried to kill Ayatollah Montazeri, the man many see as the successor to fundamentalist leader Ayatollah Khomeini, the Iranian state news agency reported yesterday.

The attempt appears to have been part of a concerted attack by the principal guerrilla group, the Peoples Mojahedin, on regime leaders in retaliation for the killing last month of its military commander, Mr Mousa Khatibani.

The assassination attempt was said to have taken place on February 24, about the same time that guerrillas tried to kill the country's chief of police and to blow up one of the revolutionary committees in Tehran.

Coverillas also detonated a bomb inside one of the main security centres in the capital, made daring raids into the northern city of Amol and killed a number of minor officials, including two clerics.

It was at this time that Ayatollah Mahdavi-Kani, a former Premier, admitted that as many as 10 members of the security forces were dying in the capital each day in clashes with guerrilla-led opposition.

Meanwhile, in Tehran yesterday, the head of the revolutionary courts said that about 10,000 people are to be released as part of the commemoration of the third anniversary of the Islamic revolution.

Radiation death

Atomic Energy of Canada has confirmed that on-the-job exposure to radiation probably caused the cancer that killed one worker last year at its Chalk River nuclear laboratory and disabled another, Victor Mackie reports from Ottawa.

N-plants cancelled

After investing \$2.1bn in three nuclear plants, directors of the Tennessee Valley Authority (TVA) have voted to stop building them. AP-DJ reports from Knoxville. Lay-off are to begin later this month for nearly 5,000 construction workers at the three plants.

Gold price fear

A record deficit of \$4.5bn (£2.5bn) on the current account of South Africa's balance of payments is likely in 1982 as the gold price averages \$380 an ounce, according to Standard Bank Investment Corporation. AP-DJ reports from Johannesburg. The deficit reached an estimated record \$4.3bn in 1981.

Begin better

Israel's Prime Minister, Mr Menahem Begin, who was taken ill at a banquet for President Francois Mitterrand of France on Thursday night, resumed his duties yesterday and visitors reported he was well. Reuters reports from Jerusalem. The French leader left Israel yesterday.

Customs strike

Customs officers at Paris's Orly Airport stopped work for 48 hours yesterday as part of a campaign. A shorter working hour and two of them started a hunger strike. Reuters reports from Paris.

Car layoffs

About 40,000 workers from Fiat Spar's car division were laid off for nine days last night. Fiat said, Reuters reports from Turin. Fiat has announced that 60,000 car workers will be laid off for another week over Easter as part of its strategy to run down stocks of finished vehicles.

Greek deficit

Greece had a trade deficit of \$6.67bn last year, compared with a deficit of \$6.80bn in 1980, the Bank of Greece said yesterday. Victor Walker writes from Athens. Figures released a week before the budget is presented to Parliament point to a current account deficit of \$2.39bn, compared with \$2.21bn in 1980.

Japan nuclear deal

Japan and Australia formally signed a nuclear safeguards treaty yesterday which opens the way for new uranium export contracts which are due to come into effect this month, Reuters reports from Canberra.

What does the Investors Chronicle tell you this week?

- * How persistence pays off when raising bank finance for small business.
 - * A layman's checklist for the Budget—we tell you what to watch for... and how to assess the repercussions on the market, business and the government.
 - * We put the spotlight on CAPARO and the man behind it—you'll be hearing more about this fast-growing public and private empire.
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U.S. presses Angola over Namibia

BY QUENTIN PEEL, AFRICA EDITOR

DR CHESTER CROCKER, the U.S. Assistant Secretary of State for Africa, and Sen. Paulo Jorge, the Angolan Foreign Minister, yesterday ended two days of talks in Paris which could play a crucial role in promoting a peaceful settlement in Namibia (South West Africa).

The meeting coincided with renewed efforts by the five members of the Western contact group to persuade the black states of southern Africa to give their blessing to a one person-two vote election system in the dispute territory, designed to win its independence from South Africa.

No details were released

about the U.S.-Angolan talks, although it is the fourth meeting between top officials of the two countries in the past six months.

There is little doubt that the U.S. is offering both diplomatic recognition and economic assistance to the Marxist Government of Angola, in exchange for its support for the Western settlement plan in Namibia, and its agreement in principle that the estimated 15,000-20,000 Cuban troops in the country will withdraw once the plan is in effect.

Angola plays a key role in southern Africa, both as the neighbouring country worst affected by the long-running guerrilla war in Namibia, and

as the refuge and base for South West Africa People's Organisation (Swapo) guerrillas fighting against the South African forces in the territory.

The Angolan government argues that the Cuban troops remain in order to defend it against continued South African attacks, and against the South African-backed Unita guerrillas in Angola, led by Dr Jonas Savimbi.

The Western peace effort is currently blocked because Swapo opposes the new election formula. It is designed to balance straightforward majority rule with continued representation of ethnic minorities.



Chester Crocker

UK NEWS

Former FT reporter had phone tapped

By Our Political Editor
A FORMER political correspondent of the Financial Times was put under surveillance and had his telephone tapped by MI5 under direction of the Cabinet Office.

The late Dr Paul Einzig, the paper's Political Correspondent from 1945 until 1956 faced such scrutiny as a result of an article in May, 1946, giving the Cabinet's reasons for omitting from the White Paper on the Iron and Steel Industry any justification of the Government's policy.

The documents referred to the monitoring of telephone conversations by the Security Service. The minutes made it clear that both the Cabinet Secretary and the Prime Minister were fully aware of such telephone tapping and their significance showed both the permanent anxiety of Whitehall about possible leaks and highlighted the frequent concern expressed about the extent of telephone tapping.

Bottle that broke cost £89,000

By Raymond Hughes, Law Courts Correspondent
A BROKEN whisky bottle cost a Panamanian shipowner \$89,949 in the Commercial Court yesterday.

Fragments of glass, recognisably from a bottle of Johnnie Walker Red Label whisky, were found in cartons of frozen cherries that had been carried from the U.S. to Harwich aboard the refrigerated ship Ocean Dynamic, owned by Ocean Dynamic Lines.

Mr Justice Goff said that, although there was no direct evidence of how the glass got into the cartons, he was satisfied that it happened while the cargo was in the care of the ship owner.

Battered dispatch box symbolises Budget drama

Max Wilkinson examines the history of a unique Treasury ritual

THE BRITISH passion for pageantry and ceremony are aptly symbolised by that battered dispatch box which the Chancellor of the Exchequer wields on Budget day.

Annually the red-leather box, first used by Gladstone more than a century ago, is held aloft for the ritual photographs as a powerful symbol, to heighten the drama and mystery surrounding the Budget statement.

Indications are that the MPs will be sympathetic to any ideas which will demystify the process. Compared with practices elsewhere the suggestions are hardly revolutionary.

It was against this rock that Hugh Dalton floundered on November 13 1947, causing him to resign as Chancellor. He admitted giving a hint on his Budget's content to the lobby correspondent of the Star newspaper.

The question remains whether the secrecy appropriate to specific tax changes, or to other measures directly affecting markets, needs to be extended. Such extension would be to cover the general decisions of policy, such as the amount of reduction to be applied or whether tax reductions should concentrate in one general area or another.

As one official who used to be in the "magic circle" said: "The restriction of knowledge about the Budget judgment results in a concentration of power. In the Treasury one liked this, because one liked to be where the power was."

Plenty of advice for Sir Geoffrey Appeal to Howe over North Sea oil tax

BY OUR POLITICAL CORRESPONDENT
A CACOPHONY of advice, support and criticism was addressed yesterday to Sir Geoffrey Howe, the Chancellor, only four days before his Budget statement.

The debate centred both on what Sir Geoffrey should do, and on the proposals put forward last Tuesday by Mr Peter Shore, the Shadow Chancellor.

From the Tory side Mr Norman St John Stevas, the former Cabinet Minister and a prominent "Wet," said the Budget proposals might determine the fate of the next general election.

strongly attacked last night by Mr Nicholas Ridley, Financial Secretary to the Treasury. He said Labour had ignored the lessons learned by its last Government, and in particular maintained that the Government could not spend and borrow more without a major impact on interest rates and so on real, sustainable jobs.

OFFSHORE oil companies and industry analysts have made a last-minute appeal to Sir Geoffrey Howe, the Chancellor, to ease North Sea oil taxation in Tuesday's Budget.

He said that the Chancellor introduced the 20 per cent Supplementary Petroleum Duty in the 1981 spring Budget after previous price increases. But since then the reference price had fallen from \$39.35 to \$31 a barrel.

Mr St John Stevas stressed that it should be made clear that the period of restriction and sacrifice was now coming to an end.

After noting that the gap in the Tory party over economic policy had narrowed recently, he told Horncliffe Tories that there should be some stimulus to the economy, by planned investments, in the Budget.

In particular he urged abolition of a major reduction of the National Insurance surcharge, measures to stimulate capital projects, particularly in the private sector, and special measures to reduce unemployment.

Mr Shore said that if unemployment was not to increase still further in the coming year Sir Geoffrey on Tuesday must "deliberately and publicly abandon his public-sector borrowing target."

Mr John Raisman, chairman and chief executive of Shell UK, said that some £50bn-£60bn could be spent by companies on development of 70 new fields in the next 20 years.

Timing and extent of the development projects would depend on factors which include government policies and international trends in oil supply and prices. The UK "stood at the crossroads" in development of the North Sea, he told members of the Scottish Region of the Energy Industries Council on Thursday night.

Liberal Party proposes £6bn reflation package

BY ROBIN PAULEY
THE Liberal Party's version of Tuesday's Budget would involve a £6bn reflation and the creation of at least 1m jobs, including 250,000 two-year training places, in the next three years.

measures would be reduced, by more than £1bn, through increasing all excise duties by 12 per cent, to match the past year's inflation, leaving a net cost of £6.98bn. A deficit of £966m, which would represent a "neutral budget," would bring the reflation to £6bn.

programme would cut unemployment by 456,000 by March 1983, by 672,000 by 1984 and by 764,000 by March 1985, compared with current figures.

Compared with current policies the programme would result in 1984-85, in a 6.1 per cent addition to the retail price index, a 5.1 per cent increase in gross domestic product, an 11.2 per cent fall in the international value of sterling, and an increase in exports by £1.83bn and in imports by £1.39bn.

His views were supported by other oil industrialists and by stockbrokers.

Mr George Williams, director general of the UK Offshore Operators' Association, said he hoped the Chancellor would head the industry's plea for a reduction in overall level of taxation.

Alliance offers mortgage plan

BY ERIC SHORT
Alliance Building Society yesterday announced its scheme for the self-employed to obtain mortgage loans linked to their personal pension plans, thus becoming the first major building society to enter this growing field of lending.

relief is at only half the basic rate. The interest charged is the same as for the normal endowment mortgage—one-half per cent above the society's recommended rate.

Royal Institute of Chartered Surveyors said yesterday that it will abandon all RIGS scales of charges for the functions of valuation, management, sales and lettings, withdrawal from agreements relating to fees for mortgage valuations with building societies and Barclays Bank, and retain recommended scales for quantity and building surveying services—although members will be permitted to quote fees in conjunction with other surveyors.

BCal 'could charter trains'

By Lynette McLean, Transport Correspondent
BRITISH RAIL and British Caledonian Airways should consider introducing chartered trains with airline staff and catering in place of short-haul domestic air services, Sir Peter Masefield, deputy chairman of BCal, said in London yesterday.

Stock Exchange plan to raise charges attacked

BY JOHN MOORE, CITY CORRESPONDENT
THE UNIT Trust Association has attacked plans by the Stock Exchange for increasing its charges on share transactions within its market.

proposed changes, the association attacks the level of research expenditure by brokers. It questions whether investors charge the research material that brokers send them, and points out that many unit trust managers believe that they do not. The association favours "unbundling" research for which service they would be prepared to pay.

Housing starts up 2% on last quarter

BY ANDREW TAYLOR
THE UPSURGE in new house-building work is continuing. However, the level of activity is increasing from an extremely low base. Figures published yesterday by the Environment Department show that housing starts in the three months to the end of January were 2 per cent higher than in the previous three months.

underlying picture, however, is one of continuing reductions in the annual level of public sector starts. In the private sector, housing starts during the three months were 5 per cent lower than in the previous quarter but 14 per cent higher than a year ago.

Builders are now pinning their hopes on a reduction next week of building society mortgage rates in the hope that this will help maintain the recent increase in house sales.

Amnesty seeks a healing alternative after the Thorpe debacle

David Tonge reports on the search for a British section head

AMNESTY—scourge of injustice and dictatorship, conscience of the world, symbol of forgiveness. These are some of the roles in which the 21-year old international human rights organisation has been cast.

months she has been trying to overcome earlier problems which led to the sacking last March of Mr Cosmas Desmond, a former Catholic priest, from the post of director of the British section.

secretary, were keeping well clear of the British dispute. In the crowded offices above their heads the 10 permanent staff of the British section and the 12 volunteers shuffling piles of papers to be mailed to members were also trying to keep their heads down.

of 42 applicants. The original decision was overwhelmingly in his favour. But the council underestimated grass roots opposition to Mr Thorpe—and then did nothing to argue his case by insisting, for instance, that Amnesty should be seen to live up to its name. It took a second vote last Saturday and by 11 votes to 9 decided to sound out members' opinions.

Last night British Amnesty members were arguing that their head, like Caesar's wife, had to be above suspicion. Their concerns were those earlier voiced by Mr David Astor, one of the founders of Amnesty International, over Mr Thorpe's judgment. "We cannot have dictatorship attacking our directors," one staff member said.



Janet Johnston: she is considering the offer

SDP wants curbs on tobacco and drink sales

BY Peter Riddell
THE Social Democratic Party is prepared to take on the tobacco and drink industries by introducing statutory controls over the advertising, sales and ingredients of cigarettes and alcohol.

This will be proposed in a speech to an SDP conference this morning by Dr David Owen, one of the party's leaders. He will also commit the party to the elimination of lead in petrol, because he believes medical evidence on the harmful effects is totally convincing.

Dr Owen says Conservative and Labour governments have "gravely refused to challenge the commercial interests of the tobacco industry and advertising interests of the newspaper and magazine industry," in spite of massive scientific advice.

EEC sugar surplus plan criticised

By Richard Mooney
FROM JULY, every time EEC consumers buy a bag of sugar they will contribute to the cost of storing surplus Community production, say British food manufacturers.

Transport service

THE NATIONAL FREIGHT Consortium of staff and managers launched its first new transport service yesterday since the consortium bought the state-owned National Freight Company from the Government last week.

Eskimos lobby

CANADIAN ESKIMOS, in London yesterday to lobby MPs, will appeal to European MPs next week not to vote for an EEC ban on imports of seal products. They plan to lobby at Strasbourg before a vote which they claim would prove disastrous to their wellbeing.

UK NEWS

BL car sales share rises to 19.32%

BY JOHN GRIFFITHS

BL'S SHARE of new car sales bounced back to 19.32 per cent last month after dipping to 14 per cent in January.

Two factors have helped BL's performance: special offers on models being replaced or run out, and initial registrations of new models—the latest Rover models and the bargain-basement Metro City launched in the middle of this month.

The Triumph Acclaim also did well, taking 3.5 per cent of the market, making it the sixth best selling car. BL's target for the Acclaim had been to capture 3 per cent of sales.

Rover also reached the top 10 for the first time in more than a year, at least in part due to the introduction of the smaller 2-litre model which is now expected to account for one Rover sale in four. BL is expected to reach a further boost this month from the new Ambassador, a replacement for the Princess, while it will shortly expand further in the "supermini" market with an MG version of the Metro.

Table with columns: 1982, % 1981, % 1982, % 1981, % for UK CAR REGISTRATIONS. Rows include Total UK produced, Total imported, Total market, and various car models like Vauxhall, Opel, Peugeot, etc.

* Includes cars from companies' Continental associates which are not included in the total UK figures. ** Includes imports from all sources including cars from Continental associates of UK companies. Source: Society of Motor Manufacturers and Traders

already producing cars at the rate of 33 per hour, against an official ceiling of 30 and UK management is coming under mounting internal pressure to make the relatively small investment needed to lift annual capacity from 30,000 to 40,000 cars a year.

Other traditional importers have also gained considerable ground: Volkswagen-Audi last month sold 7,912 cars against 5,734 in February 1981 and is now the leading traditional importer with a February share of 6.41 per cent.

3.58 per cent (5.32 per cent last year) but it is hoping for a revival from the horizon being built in the UK as of January and the launch this month of its own "supermini," the Samba.

Charter withdrawal shipowner criticised

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

A SHIPOWNER has been criticised by a Commercial Court judge for "stage-managing" a very profitable withdrawal of a vessel from a charterer who had mistakenly paid the wrong amount of hire.

Dorada deliberately thwarted the charterer's efforts to find out what was wrong — even instructing its bank not to tell Tradax why its payment had been rejected.

It would, said the judge, be unconscionable to let Dorada enjoy the fruits of a withdrawal so accomplished.

The case broke new legal ground, for it was the first in which a court had had to consider the situation of hire payment falling due while a vessel was off-hire.

Interest shown in Chatham dockyard

By John Hunt, Parliamentary Correspondent

A COMPANY has expressed interest in taking over shipbuilding and ship-repairing facilities at the Royal Naval Dockyard, Chatham, Kent.

Mr MacGregor said that together 12 companies and 11 consultancies had shown interest in moving into the dockyard, but it was too early to say whether these would become firm bids.

He was replying to Tory MPs who protested at the closure and wanted assisted-area status for parts of north Kent and the Medway towns.

Belfast Car Ferries may float shares

By Our Belfast Correspondent

BELFAST Car Ferries, which will begin sailing between Liverpool and Belfast at the end of the month may consider a public floating of shares.

The company said in Belfast yesterday: "Consideration may be given in the future to a public quotation and the offer of shares to the public."

Murdoch sets Monday deadline for Times redundancy pact

BY IVO DAWNAY, LABOUR STAFF

MR RUPERT MURDOCH, proprietor of Times Newspapers, flew back to London yesterday and warned that agreement on substantial redundancies on The Times and The Sunday Times must be reached by Monday night if their closure is to be averted.

Mr Murdoch said: "I am not confident or certain the newspapers will be saved. I am hopeful, however, that we have a lot to get through and hopefully we will know the outcome by Monday at the latest."

The company had made "a lot of progress" and several chapels had concluded negotiations successfully. He added, however, that "the weight of the figures we asked for still stood."

There was widespread scepticism, however, over the company's hope of winning the full 600 staff redundancies and the termination of 900 weekly casual shifts originally demanded.

Only cuts of 100 in permanent staff and 168 casual shifts have been announced. These figures will have been augmented by more recent agreements.

Crucial talks to reduce the 670-strong clerical staff on both papers by up to 600 jobs ceased with officials of the National Society of Operative Printers, Graphical and Media Personnel last night.

Times's National Graphical Association machine-managers, is thought to be nearing agreement, as are talks with the Society of Graphical and Allied Trades.

The main talks are set to resume at 5 pm on Monday, just seven hours before the midnight deadline expires.

Mr Murdoch's latest announcement appeared to be greeted with surprise by both management and unions yesterday. Both sides had earlier assumed the effective deadline for agreement would fall on Tuesday, when the first dismissals of clerical workers were due to take place.

The management's decision to suspend notices of dismissal for the 210 sacked clerical workers for a further five days, however, agreed with Natsopa officials last week, was widely believed to have extended the time for bargaining until next weekend.

Nalگو threat of strike over cuts

BY BRIAN GROOM, LABOUR STAFF

THE NATIONAL and Local Government Officers Association is calling on branches to begin immediate, all-out strikes if any member is declared compulsory redundant by a local authority.

Delegates representing the union's 500,000 local government members decided this yesterday, at a meeting in London to draw up a strategy against further spending cuts.

The motion was backed by a recommendation to Nalگو's national executive to set up a fund to supplement normal strike pay of £20 a week for members who strike against redundancies and cuts.

A levy of £2 a month on all local government members—except for the low-paid, who would contribute £1—would be collected when strikes began. It is expected to raise more than £750,000 a month.

Branches severely affected by cuts will be encouraged to strike indefinitely in defence of jobs and services where possible in conjunction with other unions.

Mr Mike Blyck, chairman of Nalگو's national local government committee, said it was impossible to predict whether there would be compulsory redundancies, or where they might occur. But the Government's continuing squeeze on spending meant that "some of the choices being presented to authorities are awful."

The Government is asking councils to cut current spending overall by 3.5 per cent in real terms in 1982-83, against this year's planned expenditure.

The Nalگو conference, originally planned for January, had to be postponed because of the rail dispute. Its chances of influencing councils budgeting are limited because many of them are now far advanced, but councils have generally tried to avoid compulsory redundancies, partly to avoid disputes.

Yesterday's meeting told branches to continue opposing "privatisation" and refusing to cover vacant posts. There has been much non-replacement of staff. Nalگو will also continue to encourage Parliamentary opposition to the Government's legislative plans.

It will seek the support of other unions; the TUC local government committee and the Scottish TUC to co-ordinate support for strikes and organise national demonstrations.

The meeting, of about 1,000 delegates, gave unanimous support for the 2,000 Nalگو members on strike in Islington.

Civil servants' union chief challenge Tebbit on report

BY JOHN LLOYD, LABOUR EDITOR

A CIVIL SERVICE union leader has challenged Mr Norman Tebbit, the Employment Secretary, to a wager on the issue of his concern to protect the weak against the strong.

Mr Les Moody, general secretary of the Civil Service Union, has written an open letter to Mr Tebbit challenging him to act on a report by the Advisory Conciliation and Arbitration Service on the contract cleaning industry, written over a year ago.

Mr Moody said the report revealed low pay, low rates of unionisation and that the vast majority of the women employed as cleaners were "entirely at the mercy of their employers."

He offered Mr Tebbit a bet that the report will still be in his "pending tray" in 12 months' time. The loser would give one day's pay to charity.

takes-over as general secretary of the Civil and Public Services' Association in June, has sent a letter to members of the union's biggest branch in Longbenton, Newcastle-upon-Tyne, calling on them not to vote for Mr John Macrae, a militant tendency candidate standing for deputy general secretary.

But the civil aviation group of the CPSSA yesterday denounced as "disgraceful and unfounded" the attack on Mr Macrae, the union's aviation officer. It stated: "The aviation group recommends that the CPSSA for deputy general secretary."

Mr Alistair Graham wants to run a dictatorship in the union. He knows that as deputy general secretary John Macrae will work tirelessly for the implementation of CPSSA conference policies, something Mr Graham has always been opposed to," the statement said.

Overtime ban called off at BL truck plant

MORE THAN 2,000 workers at BL's Bathgate truck plant near Edinburgh decided yesterday to call off their two-year overtime ban, providing five-day working conditions at the plant.

The Bathgate men last week ended a strike over redundancies contained in BL's survival plan for its truck division, and are now on full time working at the plant.

Mr Chris Bett, shop stewards spokesman, said the overtime ban had been called off because of the "massive" structural group reorganisation that would be needed at the plant, under its survival plan.

Tuesday appeal over Bathgate sit-in

AN APPEAL by Plessey against the lifting of a court order banning a sit-in at its Bathgate, West Lothian, factory is to be heard in Edinburgh on Tuesday.

At the Court of Session in Edinburgh yesterday three judges gave the sit-in workers 14 days to lodge answers to the Plessey petition, but it was later announced that this would be done by Tuesday.

Acas watching ramp row at Heathrow

THE Advisory Conciliation and Arbitration Service is maintaining contact with both sides in the British Airways ramp workers' dispute at Heathrow, in the hope of finding common ground for another meeting.

Tilbury dockers may delay strike

LEADERS of 300 Tilbury dockers are to recommend postponement of a strike set for Monday over a 5.5 per cent pay offer. The dispute will be considered by the Ports National Council for the Ports Industry.

BUILDING SOCIETY RATES

Table with columns: Deposit rate, Share accounts, Sub'm rates, % Term shares. Lists various building societies like Abbey National, Aid to Thrift, Alliance, Anglia, etc.

Scots concerned by local government Bill

WHILE attention in the local government world focuses on further controversial legislation for England and Wales, concern is mounting in Scotland over moves which could change completely the relationship between central and local authorities north of the border.

The Convention of Scottish Local Authorities (Cosla) is warning all MPs that democratic local control of councils is threatened by the Local Government and Planning (Scotland) Bill now in parliament.

"If control passes from the 1,628 elected councillors in Scotland it will not pass to elected members but to a few civil servants in the Scottish Office. They lack both local knowledge and democratic legitimacy," Cosla says.

Scottish councils have always been more under the control of the Scottish Office, which acts as a sort of Ministry of the Interior, than English councils are under the Environment Department. Every time controls in England are tightened, the Scottish Office responds by tightening Scottish controls further.

Scottish authorities have never been able to levy supplementary rates, for example, a facility only now being withdrawn from English councils.

The Scottish Secretary has the power to withhold extra grant from councils if he thinks they are setting their rates too high. He is now proposing further powers in the new Bill which will allow him to cap the rates by placing a ceiling on rate poundages. Once he has decided a council is guilty of "excessive and unreasonable expenditure" ratepayers will only have to pay the rate in the pound decided by the Secretary.

Second, he will be able to change the rules about the levying and capping of rates without needing a new Act of Parliament.

Third, he will have the power to consider different categories of spending. Even if he decides total expenditure is not unreasonable he can act if he disapproves of the spending pattern—for example, he might think too much was being spent on leisure and recreation, or bus subsidies or contributions from the rates to the Housing Revenue Account.

Cosla says that in two years the Government has moved from measures aimed at influencing the aggregate level of local spending to measures to control the total level of spending and is moving to control the detailed spending of individual councils.

Authorities north of the border see coming legislation as a further threat to democratic control, reports Robin Pauley

It adds that the developments are all the more alarming because of the "completely unsatisfactory criteria" used for judging expenditure. Scotland has not adopted the new but equally inconsistent block grant system of dispersing grant to councils. It operates the old scheme of two grants, one based on a council's assumed "needs" and the other on its resources. But expenditure "guidelines" are also issued and grant reduced if they are exceeded.

Although these guidelines give official indications they are in no way meant to be mandatory. "But to describe as indicative guidelines which played a part in six authorities being convicted of excessive and unreasonable expenditure is stretching the meaning of the word," says Cosla.

Cosla complains that the Scottish Office no longer has meaningful discussions with the convention. In recent years consultations have been systematically devalued to the point of being rituals in many cases.

"The outline of the 1982-83 rate support grant settlement was announced in a written parliamentary answer a fortnight before the final meeting. The referendum proposal (later abandoned) was suddenly tabled at a meeting without prior notice. The convention's representatives are increasingly invited to meetings to be told of decisions, often without having had the relevant papers prior to the meeting."

Cosla says the warning by the Layfield Committee of Inquiry into Local Government Finance (1976) that a choice must be made between central or local responsibility had been ignored. The committee predicted that failure to recognise the need for choice would lead to "an increasing shift of power to the centre but in circumstances in which responsibility for expenditure and local taxation will continue to be confused."

Cosla says this drift towards centralism has gathered momentum. Although it will prove difficult to stop, the process is not irreversible, "for it has been propelled by mistakes of fact and analysis," Cosla concludes.

Dunlop workers threaten national strike

BY OUR LABOUR STAFF

LEADERS OF almost 10,000 Dunlop workers have threatened a national strike if the company refuses to meet unions for talks on its corporate strategy.

The warning came after a meeting of the Dunlop Rubber Workers' Committee in London, where representatives from several plants expressed growing concern over recent manning cuts and factory closures.

Mr David Warburton, a General and Municipal Workers' Union national officer, said: "I have tried on three occasions to get Dunlop to meet with unions at national level and they have refused our request. Faced with such a position, we are now left with few options. There is no doubt that strike action is a strong possibility."

Dunlop said yesterday that it had had "no approach at all" from unions requesting talks.

"We would consider any request for a meeting on its merits, but we would have to consider it in the light of what it could achieve and what purpose it would fill," the company said.

Last week, Dunlop reached agreement with 600 workers over the closure of a floor coverings factory at Brynmawr, South Wales, after a 12-week factory occupation.

SHARES advertisement with a form for requesting a prospectus and a list of companies like M & G Group, Vanbrugh Life Assurance, etc.

UNIT TRUST AND INSURANCE OFFERS advertisement listing various investment and insurance products with a table of interest rates.

Today's Rates 13 1/4% - 14 1/4% advertisement for PFI Term Deposits, including a table of interest rates for different terms and amounts.

THE WEEK IN THE MARKETS

Bull run for gilt-edged

Gilt-edged stocks continued to make all the running on the stock market this week. Fueled by a strong performance in U.S. bonds, increasing optimism for an early cut in base rates after Tuesday's Budget and a tightening of supply in the absence of any Taps, the Government Securities Index hit a nine month high.

Equities have been left way behind in the slip-stream. True they did not have quite as bad a time as last week when 25 points were clipped off the FT 30 Index but rises early in the week which lifted the index by more than ten points in two days, evaporated in the face of mounting evidence that pressures on the company sector are not easing. The stocks to sales ratio has deteriorated and the Department of Industry reports a sharp fall in corporate liquidity in the final quarter of 1981.

A \$4 a barrel oil in North Sea oil prices was announced by the British National Oil Corporation on Tuesday. Sterling shrugged it off while the sector's share prices had already come way back ahead of the news. Since January 1 the Actuaries

LONDON ONLOOKER

Two dates proved critical to the outcome. On Thursday, February 4 Croda, showing the audacious form with which it scored points off its opponent throughout, forecast a dividend rise of 86 per cent. That took Croda's share price way above Burmah's 70p per share terms and still left the speciality chemicals group with a healthy double figure dividend yield.

Burmah knew then that its original offer was as good as finished. It therefore had to make up its mind whether to go higher or to let its offensive drop. The last date for such a decision was Monday March 1 when any new terms would have given Croda shareholders the fortnight required to study a better offer before the 60 day limit on takeover bids elapsed. Burmah took the easier option right on the deadline and the bid folded predictably last Thursday.

The bidder had won less than 2 per cent acceptance to add to its original down bid stake. Burmah said that it was surprised at the confidence and detail of Croda's pre-tax profit forecast of £16m for this year and would have been prepared to pay a little bit more.

But it was the dividend which knocked the wind out of Burmah's sails. The bidder described the forecast as a "potentially damaging expedient" and said that Croda's ensuing share price would not be supported by past performance and future prospects.

Yet the stock market had been signalling that Burmah would have had a vastly better chance at about 90p per share. As it is, Burmah's much vaunted strategy of developing a speciality chemicals division now lacks a key component. Croda would have taken Burmah a long way along this development route; the chances now are that the oil company must build this operation markedly less quickly.

But was Burmah right to back off so lamely when another £20m, say, could have swung the issue? It knew that the chemicals cycle was swinging in Croda's favour although the strength of the upturn should not be exaggerated. It was aware also that Croda had made £14m pre-tax in 1978 and that another £2m this year would have covered that contentions dividend 1.35 times. It understood, too, that Croda was looking to get better returns from its businesses by

paring back such problem areas as gelatin. All of this was reasonably common currency and explains why at the turn in the industry's fortunes, Burmah launched its assault when it did.

Perhaps Burmah decided after a good deal of boardroom discussion that it should not afford more, perhaps Croda's confident crowing about the oil company's debt-filled balance sheet struck home. What is certain is that Burmah will hold its stake and that will not give Croda much leeway if speciality chemicals turn stickier later this year.

Unilever uplift

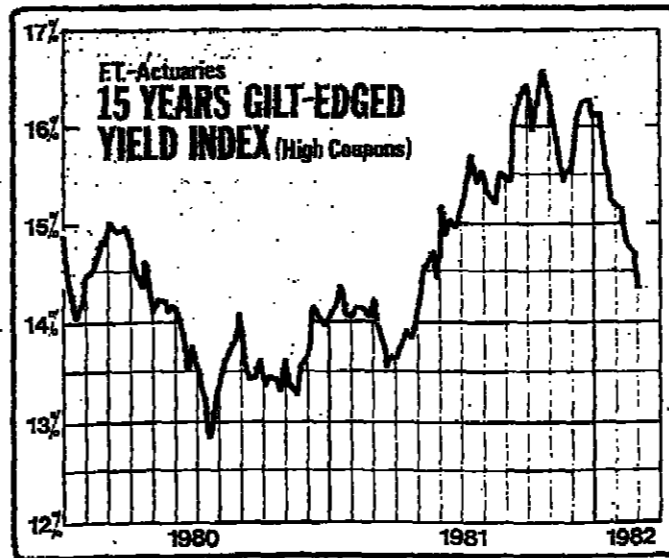
Unilever ended 1981 on a strong note. Figures released this week showed that the momentum, built up early in the year, carried right through to the closing months. Operating profits in the final quarter came out 13 per cent ahead of the comparable period at £144.2m, lifting the full year pre-tax total by nearly a quarter to £708.5m.

For the first time in half a decade sterling worked in Unilever's favour. Of the £136.5m pre-tax advance, some £22m came straight in from translation of foreign currency operating profits. But that extra gain only accounted for 3 per cent of the year's total profit and the results must be regarded as a fairly impressive performance given weak consumer spending levels in North American and European markets.

For the year as a whole sales volume rose by 2 per cent and trading margins widened from 5.7 to 5.9 per cent. Most of the margin improvement came from trimming overheads in Europe and particularly strong performances from operations in Australia, Brazil, Indonesia and South Africa.

The stock market has not been slow in latching on to Unilever's improved status. The shares have performed well. A year ago Unilever was yielding 7.1 per cent after the cut in the UK payout. Today that return is below 6 per cent even though the cash dividend has been raised by 17 per cent.

Looking forward, those fast growing markets outside Europe and the U.S. which made so much of the running in 1981 will be increasingly affected by the weakness in oil and commodity prices. In Europe continued pressure on consumer spending will aggravate the trend down market away from the group's frozen foods while in the U.S. Lever Brothers may be pushing



Doom and gloom

NEW YORK PAUL BETTS

INVESTOR CONFIDENCE in the U.S. appears to be waning fast. A growing sense of pessimism is sweeping Wall Street as businessmen, investors, institutions, the whole fabric of the Stock Market, is straining under Reaganomics.

It was the worst week in nearly two years on Wall Street. The Dow Industrial Average hit a 22-month low; some stocks are selling at their two- to five-year lows and even the high technology growth stocks cracked this week.

The situation has not reached the stage where people are jumping out of windows; nor is it likely to become that bad. It is just that Wall Street cannot see at the moment any light at the end of the gloomy American economic tunnel. Companies are lowering their earnings forecasts for the first half of the year because the anticipated recovery appears from day to day further down the road. Some of the country's most senior executives appealed to President Reagan this week to change and compromise on his budget plans. The economic data continues to be distressing, with the latest report on employment showing a February unemployment rate of 8.8 per cent.

With no signs of the recession ending, the big institutions, accounting for about two-thirds of trading, were re-adjusting their portfolios with a vengeance. In hectic trading—at times touching near panic—volume on the New York Stock Exchange swelled to 70.2m shares on Wednesday and to 74.3m shares on Thursday in some of the heaviest trading days in its board history.

The number of block trades on Thursday was the second highest on record and until the institutions complete their current hectic portfolio re-adjustments, the Stock Market is expected to remain extremely turbulent.

What happened to Data General, the high tech stock, on Thursday tells the whole market story. The stock plunged 10 points to \$32 in one session after the computer company's management forecast a decline in earnings in the current quarter. In the present nervous climate, the slightest bad news can literally clobber a stock, and with Data General sinking, most of the other high tech

stocks cracked. "This is what happens when people lose confidence," Ms Hilde Zagorski, of Bache, remarked yesterday. "Data General touched off the mass selling in the high tech sector on Thursday. It's just boom."

The energy stocks also continued to slide with institutions pulling out heavily of oils and oil service stocks. Wall Street analysts sent out sell recommendations for these stocks which were once the darlings of the market when oil prices were rising and rising. Now that they are falling, investors are deserting this group. Mobil, for example, is now down to \$20, its lowest level since 1979. Schlumberger, one of the most popular stocks of all, is trading at 43, down nearly 50 per cent from its 52-week high.

But the decline in oil service stocks is turning into a bit of controversy on Wall Street. The plug was pulled under this group this week when the influential firm of Cyrus Lawrence advised its clients to sell these stocks. Other analysts, however, feel that these stocks now offer extremely attractive buying opportunities because they do not believe the declining price of oil will effect earnings as much as the pessimists suggest. The worst hit stock in the oil service group have been Halliburton, Huelsbeck, Suda and Schlumberger.

Food and retailing stocks are beginning to curvy favour again. These are the stocks which are seen as benefiting most from the dollarization climate and the big institutions have been switching from high tech and energy into such consumer blue chips as Sears Roebuck and Proctor and Gamble. Sears was one of the brightest lights in an otherwise dark market this week. The stock has been advancing steadily in the last few sessions gaining about 2 points since last week.

No one in Wall Street is prepared to say with any confidence when the general slide will finally come to an end. Most analysts feel that the selling has now been overdone, that the oils have reached their bottom, and that at some stage their is bound to be a technical rally of sorts. When is another current negative climate, is expected by some to continue to drift down below the Dow 800 mark.

MONDAY	823.39	+ 4.00
TUESDAY	825.82	+ 2.57
WEDNESDAY	816.16	- 10.66
THURSDAY	807.55	- 7.61

MARKET HIGHLIGHTS OF THE WEEK

	Price	Change	1981-82	1981-82	
	y'day	on week	High	Low	
F.T. Govt. Sec. Index	68.36	+1.97	70.61	69.17	Hopes of cut in interest rates
F.T. Ind. Ord. Index	560.7	+13.4	597.3	444.0	In sympathy with gilt
F.T. Gold Mines Index	226.3	-37.1	429.0	226.3	Weak bullion price
Antofagasta Railway	685	+20	695	658	Resumption of dividends
Assoc. Coms. A.	94	+13	96	39	Bid situation
Barrick Devs.	262	+23	262	104	Prospect of cheaper mortgages
Berkley Exploration	260	-25	403	203	Weak oil sector
Campari Inc.	63	+9	63	32	Interim statement
Cons. Gold Fields	375	-45	543	365	First-half figures
Doornfontein	612	-131	613	612	Weak bullion price
Fisher (A)	364	+21	394	10	A. B. Millar acquires 28.9% stake
Fisons	285	+45	285	112	Better-than-expected results
Heath (C.E.)	312	+32	315	167	Firm brokers on c/r'cy. influences
Poseidon	73	-18	304	73	Int. profits setback
Provident Financial	125	+15	148	93	Better-than-expected results
Randfontein Est.	201	-31	239	119	Weak bullion price
St. George's Group	113	+21	116	69	Boys BTH laundry int.
Seitrust A	34	-10	120	34	Annual loss
UKO Int.	50	+8	75	29	Consult Int. acquires 9.5% stake
Zetters	91	+9	112	69	Bid hopes

The Syndicate strikes back

MAY THE FORCE be with you, said one of the nicer characters in the film Star Wars. And indeed, the force was with them in sufficient strength to produce a follow-up, under the title of The Empire Strikes Back.

There were those in the diamond business who thought the force had deserted De Beers last year. The group, whose Central Selling Organisation handles the marketing of 80 per cent or so of the world's output of rough (uncut) diamonds, was plagued by a very weak market which saw the price of some stones fall by almost two-thirds.

In an attempt to stem the tide of falling prices, the CSO had no option but to stockpile stones in previously undreamt of quantities, so that the organisation is currently financing a stockpile worth perhaps R1.25bn (£700m), and this at a time of exceptionally high interest rates.

As if that were not enough to contend with, the CSO looked to be losing its touch as far as negotiating with the black African producer countries is concerned.

These negotiations are extremely delicate, as several of the countries involved make no secret of their dislike of South Africa's racial policies. They also frequently come under pressure from non-diamond producing African countries to cut their ties with what is basically a South African-controlled organisation.

Last year, Zaire succumbed to a combination of this pressure, the growing nationalism within the country, and the blandishments of three independent diamond dealers.

The CSO, or the Syndicate as it is more usually known in the business, lost its 14-year exclusive marketing contract with the country, the biggest producer of diamonds in the world—in volume terms, that is. Most of Zaire's output consists of the lower-value industrial stones, with the result that the country ranks somewhat further down

the scale in terms of the value of its production.

But the Syndicate has struck back. The Rio Tinto-Zinc group's Australian arm CRA has recommended to its partners in the Ashton diamond joint venture in Western Australia that the Syndicate should handle the marketing of most of its stones.

Initial production from Ashton will come from alluvial deposits, at a rate of some 2m carats a year, but by the time the joint venture starts producing from the kimberlite pipe AK1 in 1985, capacity should be around 17m carats a year, and Australia will have easily outstripped Zaire as the biggest volume producer in the world.

Zaire's officially reported output in 1980 was just over 8m carats. Actual output was almost certainly far higher than this, perhaps totalling as much as 14m carats, with the balance over the official figure being illicitly mined and smuggled over the border to Brazzaville or Bulumburu.

The illicit diamonds are sold there, often through Antwerp, and not infrequently they eventually find their way into De Beers' sorting tables in London.

There were those in the diamond business who thought that the loss of Zaire's production was a serious setback for the Syndicate, and that it marked the beginning of the end of what is widely held to be the longest-running and most successful commodity monopoly the world has ever seen.

That has not, however, proved to be the case. There have been no signs that any of the other producer countries associated with De Beers wanted to follow Zaire out into the cold, and apart from a certain loss of face, the Syndicate has suffered very little.

With such a high proportion of industrial and near-gem material, Zaire has never been very rewarding financially, and if the present trend of falling production is not speedily

reversed, the country's significance as a diamond producer will decline even further.

Unfortunately for Zaire, large amounts of outside financial assistance will be required if output is to be restored to its former levels, and such help is not easily secured by a country so plagued with international debt already.

It looks, then, as though De Beers has managed to exchange one high volume, low value diamond producer for another—a fair exchange, on the surface.

The difference lies in the fact that Zaire's importance is likely to dwindle still further in line with its falling production, while Ashton is clearly the mine of the future.

There is another important factor; one of the current customers for Zaire's diamonds told me recently that the quality of industrial goods he had seen from Ashton was markedly superior to the stones he was buying from Zaire.

Provided that the Ashton deal goes through—and it is still subject to approval by CRA's partners Ashton Mining and Northern Mining, the Western Australian Government and the Federal Government—De Beers would seem to have pulled off a remarkable coup. It looks very much as if the force was indeed with them this time.

Apart from De Beers, the news this week has been mixed. The good tidings came from improved results from the Gencor and Anglovaal groups in South Africa, Rio Tinto-Zinc's estimate that last year's profits were down by only about one-third, when many observers had been expecting an even steeper decline, and provisional agreements to develop two major prospects in Australia.

The bad news came from Seitrust Holdings, with a loss for 1981, EZ Industries, which announced a rights issue to bolster up its sagging financial position, and lower first-half profits from Consolidated Gold Fields. Even here, the gloom was lightened a little by the announcement of a maintained interim dividend.

The results from Gencor and Anglovaal gave some relief after the spate of poor returns from north American and Australian mining concerns over the past few weeks.

Gencor turned in attributable profits for 1981 of R319.5m (£178m), somewhat better than the market had expected, and is lifting its total dividend for the year to 175 cents (98p) from 150 cents in 1980 with a final payment of 120 cents.

Profits of the group's coal operations leapt ahead to R28.5m from R13.1m last time, but the other mining divisions were more or less unchanged.

The principal factor behind the growth in group earnings was the industrial and commercial division, which became for the first time the major contributor to Gencor's profits, overtaking gold and uranium. Full details are shown in the accompanying table.

It was the industrial side which helped Anglovaal to improve its first-half profits, too. Attributable profits came out at R28.9m, and the group raised its interim dividend to 90 cents from 75 cents.

The two Australian prospects were the huge Jabituka uranium deposit in the Northern Territory, where Pancontinental Mining and Getty Oil have finalised a draft agreement with local Aboriginal interests some 10 years after the discovery was first announced, and Western Mining and BP Australia's Olympic Dam copper-gold-uranium prospect in South Australia.

MINING GEORGE MILLING-STANLEY



More aid for the Self-Employed

Unlocking Retirement fund cash

A PENSION YOU CAN SAVE AND SPEND

MAKE YOUR PENSION PAY TODAY

AT LAST! THE COMPLETE SELF-EMPLOYED PENSION PLAN-BEFORE AND AFTER RETIREMENT.

The Vanbrugh Flexible Retirement Plan is built on some of the most generous tax concessions ever offered to one section of the community.

- Up to 17½% of net relevant earnings can be invested in a pension plan to qualify for tax relief of up to 60p in the £.
- This relief can be claimed in respect of unused relief for the previous 6 years.
- All investment income and capital gains accumulate in tax exempt funds. Pensions do not attract investment income surcharge. Death benefits can normally be arranged without liability to Capital Transfer Tax.

Such advantages are, of course, common to all self-employed pension plans, but with the Vanbrugh Flexible Retirement Plan they are only the beginning of a uniquely attractive investment proposition.

THE LOANBACK FACILITY

You can now invest in a pension plan without locking up your money until you retire. Vanbrugh's LOANBACK FACILITY may allow you to borrow back a sum equal to the value of your accumulated funds at any time between now and retirement. The net interest on the loan accrues for the benefit of your own pension plan.

Plus a lump sum available immediately.

Investors in the Vanbrugh Flexible Retirement Plan may now borrow up to fifteen times their initial annual investment (subject to security and credit worthiness) from Forward Trust Limited, a subsidiary of Midland Bank, allowing investors to boost their liquidity immediately. Written quotations are available from Vanbrugh Pensions Limited.

The investment management of the Prudential.

The Vanbrugh Pension Funds are managed directly by Prudential Portfolio Managers Limited, employing the Investment Fund Managers of The Prudential Assurance Company Limited, the UK's

largest corporate investment institution. These funds constitute a complete range of investment opportunities—and you can vary your choice from year to year between the Property Fund, Equity Fund, Fixed Interest Fund, Guaranteed Fund, Index Linked Gilt Fund, and the Managed Fund.

NEW! A flexible approach to early retirement. More and more professional people now choose to retire before 65. To make this possible, the Vanbrugh Flexible Retirement Plan lives up to its name; you could start drawing your pension as early as 60, in phases if required.

NEW! Built-in insurance against accident or illness. For annual plans a small additional annual sum insures you against future inability, through accident or illness, to continue in the same occupation. Should this happen, your pension contribution will be waived.

NEW! Loyalty bonus after 10 years. When at least 10 yearly premiums or 120 monthly premiums have been paid into the Vanbrugh Flexible Retirement Plan, all benefits will be increased by 2½% on retirement.

Please post this coupon urgently to take full advantage of tax relief available before April 5th. Your pension should now be your top investment priority.

To: Vanbrugh Pensions Limited,
41/43 Maddox St., London W1R 9LA. Tel: 01-499 4923.
Please send me full details of the Vanbrugh Flexible Retirement Plan.

NAME _____
ADDRESS _____
TELEPHONE _____

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A member of the Prudential Group
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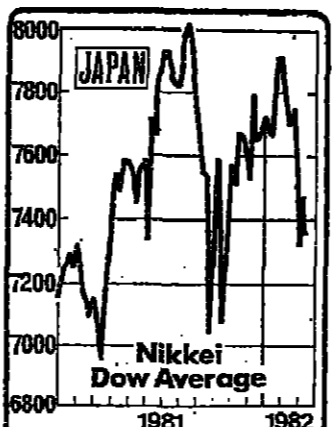
YOUR SAVINGS AND INVESTMENTS=1

Richard Hanson reports on the Tokyo stock market

Shadow on the rising sun

IF THE Tokyo Stock Exchange were to devise a Doom and Gloom Index (let us call it the DGI, for short), of pessimistic market grist, it would now most certainly be climbing to new peaks. Nearly all the news in recent weeks has been decidedly (or at least potentially) awful.

since February, of companies to issue convertible bond and new equity both overseas and in Japan. This tends to sap buying power away from the already weak market.



Diamonds losing their sparkle...

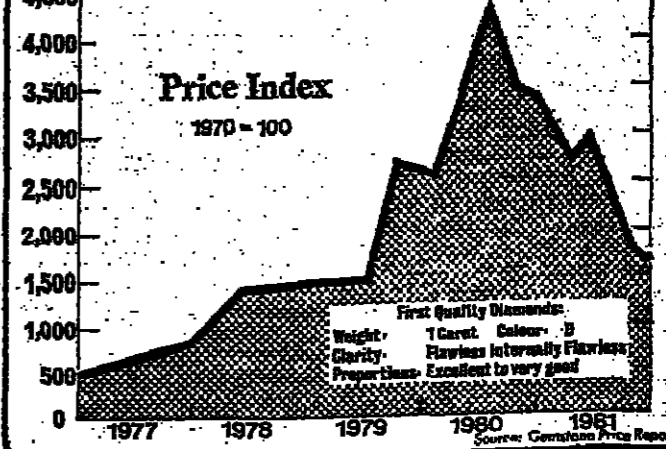
Carla Rapoport investigates

Not quite a girl's best friend

"IF YOU want a diamond, buy a diamond. They're very nice. But don't come back here in two months and ask me to buy it back. If you want to buy and sell go down to the Stock Exchange."

Hatton Garden is full of philosophers; it's also full of good prices on diamonds these days. But the forthright diamond dealer, like the one quoted above, will tell you with little prodding that the diamond investment business is as sick as a parrot these days.

DIAMONDS



"People still get married, people still have mistresses, wives still find out about mistresses. These are the times that still call for diamonds," said a happily married diamond dealer who requested anonymity.

WHERE CAN YOU GET 14% ON DEPOSIT AND A CHEQUE BOOK? Only from the Tyndall & Co. Money Fund.

You get top money market rates for your deposit. The current rate offered is 14% - a return which would normally be available only to major investors.

Top interest rates and a cheque book facility make a unique combination. All you need to open a Money Fund account is a minimum of £2,500.

Please send me full details of the Tyndall & Co. Money Fund. Name: _____ Address: _____

Unconfirmed rumours fly about the Big Four Japanese brokers reducing their own trading positions, and normally upbeat stock commentators speak darkly of the absence of any uplifting signs on the horizon.

At times such as these, Japanese brokers tend to step back and remind themselves of an old Kabulochi (Tokyo's Wall Street) saying which loosely translates: "When everyone sells, prices go up."

The Nikkei Dow Index has after all lost a hefty 8 per cent of its value since a recent peak (of ¥7,938.83) on January 30.

Moreover, the final unwinding of overbought margin positions (a hangover from last August's ill-fated rally) which helped depress prices in February is over.

This is not to say that anyone in Tokyo believes that a rally, for the time being, is on the cards for the market as a whole.

Japan's GNP, in real terms, appears to have suffered a setback—the first in over six years—in the October-December quarter last year.

Deposit with solicitors

FINANCE AND THE FAMILY

During the recent purchase of my house, my solicitors held some of my money in their account for several weeks. Am I entitled to any interest on this amount?

inquire, is there a restricted period to claims of this nature? There is no prescribed limit if a claim is made for the shares themselves, but a six-year limit would apply if damages in lieu were claimed.

A friend's executor In 1979 my wife became sole executrix for a friend, the executor of whose estate was to be divided between her and the friend's grand-daughter.

Backdating of rates

After reading your replies under "Rateable value of a house" (May 2 1981) and "Backdating of rates" (July 11 1981), in particular with regard to the water rate position, my water authority is trying to charge me for a period prior to April 1981.

Damage that is nominal Damage that is Nominal Some few years ago I erected a portable garage on an unused plot in front of my house.

Dividends from Singapore

I hold shares in a company incorporated in Singapore. The dividends are taxed locally at 40 per cent and when they pass through my bank here, they are subjected to a further 30 per cent for UK tax.

Late claims for shares

In the period February to April 1980, I sold some shares through a broker. Shortly after this I received a small bonus issue based on these shares.

The answer, unfortunately, is that you probably cannot claim any tax from anyone. It is unlikely to be worthwhile pursuing the question of relief from Singapore tax (under article 16(2) of the double taxation convention of December 1 1966).

DOES YOUR BROKER KEEP YOU IN TOUCH?

Our private clients receive a regular bulletin. The March issue includes articles on: The Economy, U.K. Gilts & Equities, Overseas Markets, Gold and Gold Shares, Commodities, Minimising Capital Gains Tax, Pensions for the self-employed.

A short cut to 13.5%

Corinthian Securities Limited is a UK financial services subsidiary of Armo Inc, one of the top 100 companies in the US. It provides insurance, stockbroker, and financial services company with net assets in excess of \$3 billion.

INCREASE YOUR SAVINGS THE FIVESTAR WAY

Simply saving your money—whether in a bank, building society or through a life assurance policy—is not enough. Because however hard you save, the taxman always takes his share.

HOW'S THIS FOR FAST CAPITAL GAINS?

Table with columns: Share, % Gain, Period held. Includes shares like Clarendon Petroleum, FNFC Warrants, Fisons, etc.

To: The Private Investor's Letter Dept. 1PD 13 Golden Square, London W1. Please send me by return post details of the FREE TRIAL offer for the Private Investor's Letter.

YOUR SAVINGS AND INVESTMENTS—2

Eric Short looks at loans for the self-employed

Building up your own pension

BARCLAYS BANK is cashing in on the popularity of loanback facilities on personal pension policies for the self-employed. Details of this latest scheme were unveiled this week by the bank and highlight the extent of loan facilities now available to the self-employed.

All the self-employed need to do to unlock this reservoir of cash is to take out a Personal Pension Policy with an approved life company. This provides the open sesame to very favourable loan terms.

Eighteen months ago, personal pension policies were simply a tax-efficient way for the self-employed to accumulate a tax-free cash sum at retirement and provide a pension afterwards. Vanburgh Life changed all this when it introduced the loanback concept on these contracts.

Under this scheme, the self-employed can get a loan from the life company provided they have a policy and other assets they can put up as security. The loan need not be repaid until the self-employed person retires — and the cash sum can be used for this purpose.

This concept caught the imagination of the self-employed in a big way. It has boosted sales of these plans in a way never achieved by any other marketing aid.

There are almost as many versions of the scheme as there are life companies, and some offer loans on terms that offend all accepted banking principles — automatic loans with no enquiries into the status of the borrower or purpose of the loan, automatic roll-up of interest, loans on third mortgages and so on.

The clearing banks, in their present aggressive drive to extend their lending outlets, could not ignore this potential source of new business. Their entry into the field represents lending on a more rational basis — as typified by the Barclays Scheme.

It comes in two forms, with Barclays dividing the self-employed into two categories — professional practitioners, and the rest.

The professional sector — which includes accountants, doctors and solicitors — can borrow without security apart

from life cover, amounts from £5,000 up to a maximum of 15 times the annual pension contribution, plus a percentage of premiums paid, over periods of up to 25 years. Interest is either at a fixed rate, or variable at 2 per cent above Barclay's base rate.

Borrowers may pay interest only during the period of the loan and repay at retirement from their pension plan cash sum.

Barclays see this scheme as a means for the self-employed to finance their business, though it will consider applications for house purchase or home improvement or any other purpose

where interest payments qualify for tax relief. It is not meant to be a personal loan facility — which is what seems to be happening with other schemes.

Barclays is drawing up a panel of life companies that it will accept for the scheme. At present the panel consists of its own life company, Barclays Life, Legal and General and Sun Alliance. Under the plan, a professional can take out a pension plan one day — and borrow the next.

The non-professional is treated much more severely by Barclays, almost to the point of

disencouragement. Although the purpose and repayment terms are the same, the loan must be fully secured. That means assets must be put up as a collateral. Interest is charged at 24 per cent above Barclay's base rate and the borrower must have paid at least £5,000 on the pension policy before application. The maximum loan is 10 times the annual premium.

Many traditional life companies, forced into offering loans, will be only too willing to link up with a clearing bank providing parallel loans rather than lending their own money.

Estate agents agree that the gap between prices fetched by good quality land and land of poorer quality is widening. According to Mr Anthony Ball of Strutt and Parker, that widening "is always the sign of a bear market."

Mr Bell says that farmers' income is the major factor influencing land values. "In 1980, farm incomes fell 30 per cent in real terms. Escalating input costs were not matched by improving now. Vacant possession land is cheap."

Mr Richard Bilborough, chairman of agricultural consultants Hallworth, stresses the development of a two-tier market: "Top

quality commercial farms, particularly in the Eastern counties, still sell at near their all-time highs. As you go down the quality scale, prices weaken dramatically, and there are many reports of failure to sell."

Mr Martin Nathanson of City of Westminster Assurance explains "when the market was rising in 1975-1980 the bad land got carried up with the good. Farmers put land on the market when prices are high. People expected growth at an unrealistic level and this led to disappointment."

Mr Thompson of Property Growth Assurance insists that it is wrong to compare the current slump with that which occurred in 1974. "Then the market disappeared — you could buy high quality land at give-away prices. Now institutions have remained in the market."

City of Westminster Assurance and Property Growth Assurance market agriculture bonds for the individual. Last year their performance was at the bottom end of the property fund market. In the two other areas of the property market, But we are not now pursuing an active selling policy. When good quality land comes up our policy is to acquire and hold."

Mr Anthony of the NCB pension fund is also hesitant. "We are not buyers at the moment, but nor are we sellers. Surveyors are saying "buy" at the moment, but I would urge caution. If you have a lot of investment tied up with a 24 per cent yield then you are giving up a substantial current yield. We have to pay our pensions."

Mr Neil Mainwaring, partner in property consultant Smiths Gore, concedes that "pension funds are looking for higher yields than were acceptable a year ago. We have seen the shake-out, but there is no prospect of values taking off."

Dominic Lawson

A nip for home buyers

THE BANK of Scotland was one of the first of the clearing banks to recognise the potential market of loans to the self-employed based on their pension contracts. But it also realised very early that the self-employed were much more interested in personal loans than business loans.

In particular, the schemes offered a useful means for house purchase in circumstances when the self-employed could not get tax relief on mortgage payments — such as when buying a second home.

The Bank of Scotland has been operating its loan scheme for about six months, and it is available to all self-employed. Following a revision of terms last month it will lend up to 21 times the annual pension contribution, with a limit of 24 times of earnings on total borrowings.

For house purchase, it is willing to lend up to 80 per cent of valuation. The rate of interest charged varies with the purpose of the loan. For house purchase on the main place of residence, the cost is base rate plus 2 per cent. For business purposes it is base rate plus 2½ per cent, while for other purposes — including the purchase of a second home — it is base rate plus 3 per cent.

The bank makes the usual enquiries into the status of the borrowers as well as the purpose of the loan. Its panel of life companies has grown to

10, varying from Save and Prosper to Standard Life. What is the advantage of using a personal pension plan to secure a mortgage rather than repaying with a low cost endowment contract? The theory is that the self-employed get full tax relief on pension contribution, and invest in a tax free fund by using the pension money. Otherwise, they get only life assurance relief and invest in a net fund.

It has to be remembered that the self-employed can contribute only about one-third of a pension policy for cash. So one-third of pension contributions goes towards building up the cash sum used to repay the mortgage, while the rest goes towards the actual pension. Under this scheme, it is assumed that the self-employed increase a pension contribution

by an amount sufficient to provide the necessary cash sum. The differences between the two systems are not as great as the supporters of this scheme would portray. Certainly there is little advantage to the self-employed not paying the top rate. They should ensure that figures for both types of scheme are made available.

The home loan plan avoids any problems should the borrower cease to be self-employed and have to stop making contributions on the pension contract. Such an event would mean refinancing the mortgage using a pension policy.

Nevertheless, the Bank of Scotland reports keen interest in its scheme, particularly for second homes abroad. In such a case, the mortgage is secured on the borrower's main UK residence.

Consider a 45-year-old self-employed man seeking a £20,000 mortgage to buy second home, repaying the mortgage on retirement at 65.

PENSION SCHEME		£	£
Interest at 14½ per cent monthly interest payment			412.50
Monthly pension contribution £192			
one-third contribution	64.00		
life cover	22.00		
		86.00	
net at 60 per cent tax			34.40
Net monthly payment			446.90
Estimated cash sum at 65		45,000	
Estimated cash surplus		15,000	

HOME LOAN PLAN		£	£
Interest at 16 per cent monthly interest payment		400.00	
Monthly endowment premium net of tax relief		66.28	
			466.28
Estimated cash sum at 65		30,000	
Estimated cash surplus		Nil	

Rush to the Post Office

TAXPAYERS SHOULD keep their ears open next week for news of the 23rd issue.

This National Savings certificate, which offers a return of 10.51 per cent over five years free of all taxes, is being scooped up by enthusiastic savers at a rate of £35m-£40m a week. Time may be running out, though, for those who have not yet bought their share. (The maximum holding is £5,000 per person.)

With interest rates generally easing in the last few weeks, there is a strong feeling that the 23rd issue gives too much away and could be replaced by the Treasury with a "cheaper" version. The Chancellor may well announce on Tuesday.

The Department for National Savings is under no obligation to give a formal period of notice but it usually takes about three weeks to change from one issue to the next. There is thus no need to rush to the post office on Monday.

In making his decision the Chancellor has to balance the cost to the taxpayer with his need to fund the Public Sector Borrowing Requirement (PSBR). National Savings has been asked to contribute £3.5bn towards the PSBR during 1981-1982 and by the end of January had reached £3.8bn; with two months still to go the total should be nearer £4bn.

One pointer to action on the 23rd issue may be the speed with which the Government has reduced the return on the National Savings Bank Investment Account (Invac). This came down from 15 to 14 per cent gross on Monday and will go down again (to 13½ per cent) on April 1.

An added attraction of the 23rd issue, incidentally, is the higher-than-usual return if you cash in before the end of year five. The return after year one is 9 per cent, after year two 9.29, year three 9.61, and year four 10.00.

Investment trust boost

JUST OVER 12 months ago a team from the Scottish American Investment Company arrived in London brandishing their annual report. This unusually well planned and informative document had been designed to spearhead a drive to encourage the private investor — for many years a net seller of investment trusts — to buy shares in the company.

Late last month the Scottish American was back with the same message, confident that these days "to be sickle," Ferguson says. "If you have people with big holdings who might sell them at any moment it is not conducive to long term investment management. Besides, if as the sort of general fund which we are you are not doing your job for private investors you might as well give up."

Tim Dickson

SCOTTISH AMERICAN			
% of share cap. held by	Jan. 1980	1981	1982
Indivs.	47.8	44.3	43.5
Trustee/Joint	5.6	5.0	4.8
Nominees	22.6	26.1	28.6
Institutions	24.0	24.6	23.1
No. of shareholders	12,595	11,670	11,596

Wobble in farmland values

"FARMLAND... cannot now live up to the claim so often made in the past — that it has kept up with, or even outpaced inflation... land values as a traditional hedge against inflation have failed miserably in the short term over the past two years. And they are unlikely to move off the plateau in 1982."

So says Farmland Market magazine, which adds that the average value per acre of vacant possession farmland fell 4 per cent in 1981 to £1,821. But this bald figure does not tell the whole story.

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Dominic Lawson

GT - The road into Europe

Why Europe

European stockmarkets have for many years remained in the background, overshadowed by the Far East and North America. Yet, for the U.K. investor, last year three of the top five performing stockmarkets in the world were European. These markets are coming into sharper focus as a result of their good performance and the international diversification requirements of many pension funds.

GT, with a research office in Paris, has long had a major presence in European markets and is now launching a European fund to make this expertise more widely available.

European economies are characterised by a high degree of interdependence. They are dominated by Germany whose GNP is 50% more than that of the U.K., equivalent to the combined economies of seven of the smaller European countries. All of them would be major beneficiaries of continued oil price weakness.

European countries have nevertheless shown wide variations in economic performance. These variations relate largely to the countries' economic policies. Over the past decade wages in many European countries have increased their proportion of the national income at the expense of the corporate sector, while the growth of the public sector and the large budget deficits incurred have put considerable strains on the capital markets. However, a number of countries are now taking urgent steps to cut budget deficits and improve corporate profits, and in some cases introducing tax incentives to encourage greater stockmarket participation by private investors. Where investor confidence has been severely eroded, such marginal shifts in official policy can have a disproportionate impact on the stockmarket and provide major investment opportunities.

In the more stable economies, such as Germany, stockmarket performance is largely a function of the economy's cyclical development and relatively unexciting investment returns are compensated by a higher degree of predictability. However, the gains from an appreciating currency, such as the Deutschmark, can be a significant proportion of the total investment return in European stocks.

Investment Philosophy

The fund's aim is capital growth. It will maintain a base holding of core stocks while at the same time capitalising on any broad based cyclical upswing. Flexibility will be a prime consideration and there will be continuing emphasis on identifying small growth situations. However, investment in Europe remains largely cyclical in nature; therefore recovery situations and the associated market timing must be of considerable importance.

What the papers say

Sunday Telegraph: "GT Group, one of the leading unit trust staples in recent years..."

The Standard: "Those shrewd people who run the GT Unit Trust Stable..."

Daily Express: "GT... one of the most successful unit trust groups in the country..."

The Observer: "GT has been one of the unit trust world's quiet successes... growth [of the funds under its management] has been spectacular."

The Guardian: "The performance of the GT investment management group, for example, has been quite remarkable."

GT Unit Trusts	1 Year	2 Years	4 Years	6 Years
Capital Fund	+ 8.8	+22.2	+106.8	+164.0
Far East and General Fund	+ 6.2	+69.9	—	—
Income Fund	+13.2	+86.7	+ 69.3	+171.9
International Fund	+10.3	+46.6	+189.9	—
Japan and General Fund	+27.5	+81.3	+148.6	+220.8
Technology & Growth Fund (Launched April 1981)				
US and General Fund	+13.0	+41.0	+ 78.2	+ 81.6
Pension Exempt Fund	+13.0	+46.9	+149.0*	—

*Figure shown to 3 years

Facts about GT Unit Managers

Part of the GT Management Group, which manages over £850 million, GT Unit Managers looks after over £60 million of unit trust funds and has an outstanding investment record. GT Unit Trusts consistently rank among the top performers and, in the past four years, GT has twice achieved the distinction of managing the best performing Unit Trust in the Country.

General Information

Trustee: Lloyds Bank Plc
71 Lombard Street, London EC3P 3BS. The Trust is authorised by the Department of Trade and qualifies as a "wider range" investment under the Trustee Investment Act, 1961. Units will be issued at an initial offer price of 100p, (this price shall hold for a period of 7 days from the launch date, i.e. until the 15th March 1982.) The minimum initial holding is £500. Thereafter purchases can be made in multiples of 10 units. The estimated initial gross yield is 4% per annum. Applications will be acknowledged and certificates will be issued within six weeks. An initial charge of 5% is included in the offer price. An annual charge of 1%+VAT of the capital value of the Fund is deducted from the gross income of the Fund to defray management expenses. Subject to this annual charge, and net of tax, income is allocated to unitholders each April and October. (First payment in response to this advertisement will be 21st October 1982.) Units may be sold back at any time at the bid price ruling on receipt of your renounced certificates and payment will normally be made in seven days. Prices of units and yields are quoted in the National Press. Commission of 1% is paid to recognised agents out of initial charge. The Managers are G.T. Unit Managers Ltd, 16 Finsbury Circus, London EC2. Registered in London No. 903827.

Unit trusts are a long-term investment. They are not suitable for money which may be needed at short notice. The price of units, and the income from them, may go down as well as up. The Managers and the Trustees intend, subject to detailed approval by the Department of Trade, to execute a Supplemental Trust Deed which would enable the Fund both to purchase and write traded call options. Members of the Unit Trust Association.

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I/We enclose a cheque payable to G.T. Unit Managers Ltd. An account cannot be opened in the name of a minor but applications may be made by an adult and the account designated, i.e. 'A', 'B' or with the minor's initials.
Signature _____
(In the case of joint applications all must sign and provide names and addresses on a separate sheet.)
Full Christian Names _____
Block Letters Please (Please state Mr., Mrs., Miss or Title)
Surname _____
Address _____
I would like information on G.T.'s other unit trusts
GT Single Premium Pension Fund
GT Single Premium Bond

THE GT GROUP

One self-employed pension plan is as good as the next, right?

WRONG.

Through London Life, £35 a month can provide you with a pension of £21,450 per annum for life* — and those are figures that few other plans can match.

It's easy to assume that all insurance companies are the same, with each one offering approximately the same terms. But that's not the case at all.

London Life is different because, for a start, it never pays a single penny in commission — either to intermediaries or its own staff. What's more, London Life is a mutual company, which means that its profits are passed on to policyholders and not paid out to shareholders. Another difference that's very much to your benefit.

Naturally, keeping costs down like this helps London Life make the most of your earnings, which should be the basic aim of every good pension plan.

Not surprising, London Life features regularly among the leaders in the insurance performance tables.

And with an already wide and comprehensive range of pension plans now supplemented by a special plan combining the tax advantages of a self-employed pension annuity contract with the growth potential of a unit linked investment, we can offer our clients a better service than ever.

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* i.e. for a man, 40, investing £50 monthly with tax relief at basic rate, taking his pension at 65 and assuming London Life's current premium, bonus and immediate annuity rates remain unchanged.

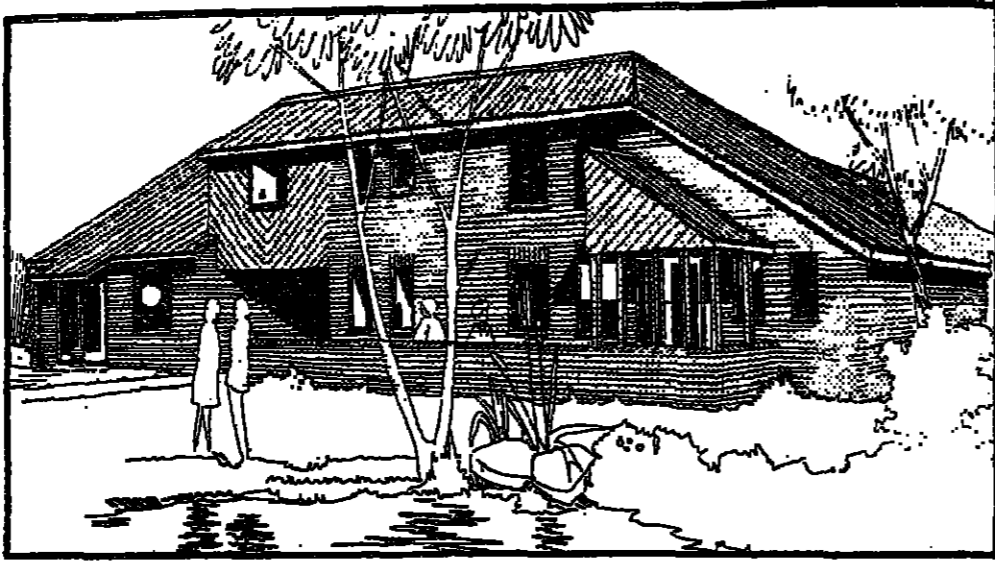
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PROPERTY

House of your dreams

BY JUNE FIELD

BECAUSE OF their high insulation qualities, there are mud houses under construction in a French new town, and against a possible holocaust, basic "survival" refuges being built in the wilds of the American West.



Barratt's new designs including an American-style "Patio" home in their show village at the Daily Mail Ideal Home Exhibition which opens at Earls Court on Tuesday until April 3. Details on where

"Ode World" country cottages, contemporary version, the inevitable mock-Tudor, some French Colonial, and an American "patio" design, if some of the showhouses at the Daily Mail Ideal Home Exhibition are any indication.

Some of the houses come in kit form, and probably the most visually dramatic package is Countrycraft's Riverside House, specifically designed to take advantage of a site with a good view, particularly one over the water.

The three Barratt homes have the most advanced equipment to complement Information Technology Year. There are control systems for monitoring heating, ventilation, air conditioning, lighting and humidity to produce over 40 per cent energy savings, and "thinking" telephones that can remember 50 different numbers, as well as giving and taking messages.

Mr Peter Hutchinson, Potton Timber Engineering chairman, says that research has shown that a large number of people

still want to own a country cottage with an inglenook fireplace and roses around the door. So their four bedroom, two bathroom "Grandee" cottage is based on the 16th century black and white houses of Bedfordshire's Great and Little Gransden, built on the ancient aisle frame method with all internal posts and beams exposed, around a central fireplace.

The basic package can cost from around £16,520 plus VAT.

This covers the structure and special joinery elements such as windows, doors, stairs, skirtings and balustrades. Inglenooks are extra. Fixing charges have to be added too, as of course do the builder/developer's preparation and finishing works, plus the land.

The 13th house from the Architectural Services range to be built at the Ideal Home Exhibition is typical of many French Colonial homes built in

Montreal. It is long, low ranch-style, with long shuttered sash windows on the ground floor; smaller dormer sashes in the roof. For this four-bedroom, two bathroom house you buy the plans only, £100 plus VAT. Eight full sets of working drawings are provided, sufficient to apply for planning permission; to build costs an estimated £50,000 including central heating, and again, excluding the plot.

BRIDGE

E. P. C. COTTER

TIME is of the essence, it has been said, but the declarers in today's example hands did not appear to appreciate the fact. The first deal comes from a team match, and this is what occurred in one room:

N 9 6 5 3 2
Q 10 5
K 7 5
A 8 3 2
W J 10
A Q 8 4
K J 9 7 4
A K J 6 5 4
E Q 8 7 4
S 8
A K J 9 7 4
K J 6
A K 7

South dealt at game to North-South and started with a conventional two clubs. After a negative response of two

diamonds from his partner, South said to three hearts. North made a try with four clubs, but North was not to feature to show signs of with four hearts, and that was the final contract.

West led the club Knave, East dropped the six, and South won with his Ace. Crossing to the ten of hearts, the declarer led a diamond and finessed the Knave, losing to the Queen. West was quick to return a trump, and this was taken by dummy's Queen. The remaining diamond was led to the King and Ace, and West led another trump. This meant that the declarer lost three diamonds and a club, and was one down.

South was lucky not to have received a trump opening bid, and it should have taken advantage of his good fortune. He should not have squandered precious time by trying a finesse that was not needed. At trick two he must at once lead a diamond from hand. One defender will win, but it is now too late to play trumps, and it

is impossible to prevent declarer from ruffing one diamond on the table, and so keeping his losers down to two diamonds and one club.

In the other room West led a trump, and that spelt inevitable defeat for the declarer, so there was no swing on the hand.

The second hand comes from rubber bridge:

N 10 7 5 3
Q 9 2
A J 5
K 7 6 4
W 8 6 3
A K J 10 7 4
Q 8 6 5
K 10 9 8 3
J 9 2

With East-West vulnerable, West dealt and bid one heart. This was followed by two passes, and South went four spades, which silenced the oratory. West led the Ace of hearts,

and switched to the ten of diamonds. South thought he might as well try the "free" finesse by putting up the Knave, but East covered with the Queen, and the King won.

Drawing trumps with Ace, King, and ten, the declarer ruffed the nine of hearts, returned a low diamond to the nine—notice West's unblock—Ace, and eight, and led dummy's heart Queen, throwing the club five from hand. West won and exited with the four of diamonds. East won with the seven, and returned a club, the finesse was wrong, and the declarer went down.

The finesse of the diamond Knave destroyed the timing for the endplay by interfering with the process of elimination. At trick two, declarer should allow the diamond ten to hold. He wins the next diamond in hand, draws trumps as before, ruffs the heart nine, and crosses to the diamond Ace. Now the heart Queen is played, on which the low club is discarded, and South can claim the rest of the tricks.

CHESS

LEONARD BARDEN

THE WORLD Championship zonal for West Europe finished at Marbella last weekend with a surprise which few would have predicted a couple of days earlier.

Only three could qualify for the interzonals, and it looked possible that England would have just one survivor. When round five adjournments were completed, matters seemed particularly desperate for John Nunn, victor of Wijk aan Zee and overall favourite. His loss to Stean made him worst placed of the five major candidates.

In the sixth round the English fought back, Nunn won, and Mestel followed in a long rook endgame against Rivas. But van der Wiel remained in a comfortable second place with his compatriot Ligtienk to play in the final round.

In this crucial situation the two Dutchmen showed exemplary sportsmanship. The no-hope in similar cases sometimes plays under his strength to give his countryman an easy point, but at Marbella the inter-Dutch game was quickly drawn.

Nunn, Stean and Rivas could now all catch van der Wiel if they won. Rivas succumbed to the tension and blundered to defeat from a favourable position against Nigel Short, but Nunn and Stean scored the

point they needed. Nunn's win stopped Mestel gaining the grandmaster title, but a step along the road towards Karpov counts for more.

Final zonal scores were Mestel, Nunn and Stean (all England) 4½ out of 7, Rivas (Spain) and Short (England) 3½, Ligtienk (Holland) 2½, Hobden (England) 1.

Under FIDE (World Chess Federation) rules, there is now a double-round play-off among the four winners to settle the three interzonal qualifiers. Holland has a long tradition of chess sponsorship and is sure to make a bid, and the question is whether any British town or company will want to stage the event here. It should certainly attract widespread interest because of the real chance that England will qualify three men for the interzonals, more than in the total previous 30 years of this competition. If there is a further tie, then complex FIDE rules favour Nunn most, Stean and van der Wiel least.

One sobering conclusion from the zonal is the narrow margin for a world-be title contender: between success and defeat. On his form at Wijk, Nunn is capable of going a long way towards challenging Karpov, but if the results at Marbella had fallen slightly differently he would already be out of world championship contention until Karpov's 1987 match.

Nigel Short in the preliminaries and finals at Marbella averaged a 2,500 rating performance, a level matched by only a handful of 18-year-olds in chess

history. In many zonals Short's play would have been enough to qualify, but now he cannot fulfil his long-term ambition of challenging Karpov for the best part of a decade.

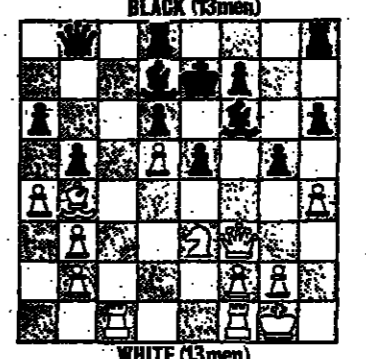
The ultimate villain of the piece is the excessive privilege enjoyed by the reigning world chess champion, who has the honours of office for three years, very long by the standards of most sports.

He alone is exempt from title competition until the final match, whereas in such events as the tennis Davis Cup, a challenge round has long since

been abolished. Karpov may be one of the finest world champions, but the difference between him and potential rivals does not justify an unfair system. If the challenge round became part of the candidates stage, the title series could be succeeded up by a year and there would be fewer instances of great masters never playing a championship match.

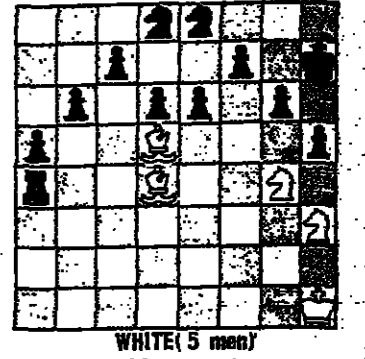
The one-hundredth Oxford v. Cambridge fixture, the chess world's longest running series, takes place at the RAC, Pall Mall, London, on March 13 (1 pm to 7 pm).

POSITION No. 413



WHITE (13 men)

PROBLEM No. 413



BLACK (12 men)

Balashov (USSR) v Sunye (Brazil), Wijk aan Zee 1982. Balashov, who finished joint winner with John Nunn of England, forced resignation as White (to play) by just one move. What was his winner, and why did Black surrender?

This problem is in memory of the partisans who defeated Napoleon in 1812. White mates in 12 moves, with only a single line of play. The black king is Napoleon, the KR2 square on which he stands is Moscow.

Solutions Page 12

Discovering how a home is built

FINDING OUT just how a house is built, and of what, still requires an investigative mind and eye. Reading through some of the builders' current promotional material (that is, as against their specification sheets, which the general public does not always see), the same old meaningless clichés pop up.

"Executive style" is particularly irritating; "built using techniques evolved 400 years ago" without fully explaining what they are; and "highly insulated," neglecting to say to what standard. (New regulations coming into force in April will increase the minimum amount of insulation required in new houses, with loft insulation doubled to 100mm.)

"Electronic wizardry" leaves one to ponder on what tricks Merlin has been up to with his wand, while "traditionally built," generally accepted to be where the walls are of brick and concrete, is also used in

the ancient concept of timber-frame.

The House Building Advisory Bureau, which encompasses the four associations of the brick, cement and concrete industries, says it sends out some 175 a day of its latest "Buying a Home" leaflet which is part of its "The Right to Know" campaign. Their aim is to make sure that you know your house is built, but understandably the bias is towards their member associations. Nevertheless it does set out in a simple language the two basic methods of constructing a house in this country.

One is the traditional method: the walls are of brickwork and blockwork, materials which have long been the basis of sound and solid construction. For over 50 years they have been used in the form of cavity walls.

The other method is described as relatively new; the inner load-bearing structure is made

of softwood frames. The external wall is a veneer, even if it is made of brick, stone or tile. In addition the internal skin is made of plasterboard.

It is pointed out that this method is all very well for Scandinavia and North America where the climate is very different from the UK, but "who can tell how long they will last in our damp and variable British climate?" They go on to hammer home that today's softwood frames are quite different from medieval building which used sturdy hardwood timbers fashioned by skilled craftsmen on site, insisting that the modern softwood framed house has not been built long enough to withstand the tests of time in this country.

Naturally the timberframe associations have their points of view, so obviously the best advice is to do your homework on both methods, ask for specification sheets, and go on site to ask your questions of a site manager.

Montpelier International Properties advertisement for Port Grimaud, featuring a boat and scenic views.

Southern Spain advertisement for Fincasol, listing properties in Marbella and inland villages.

Wear and tear advertisement for skiing, featuring an image of a skier and Arthur Sandles.

Strathclyde Regional Council advertisement for Rotherhay Isle of Bute, featuring a scenic view of the island.

Bell-Ingrom advertisement for a beautiful residential estate with first sea trout fishing in Scotland.

Montpelier International Properties advertisement for the Spring Collection, featuring properties in the Alps and France.

Stirlingshire advertisement for Buchanan Home Farm Drymen, featuring a large farm and equestrian centre.

On High Ground - Chertsey advertisement for a detached bungalow with a large garden and swimming pool.

Royal Tunbridge Wells advertisement for a large detached house with a swimming pool and tennis court.

Stirlingshire advertisement for Buchanan Home Farm Drymen, featuring a large farm and equestrian centre.

North Cotswolds advertisement for a superbly restored manor house with 12 bedrooms and a swimming pool.

Florida advertisement for a beautiful quality home ready for you to occupy.

Specialists in Letting & Managing advertisement for a company offering good standard houses and flats in London and surrounding areas.

Cortijo Grande advertisement for a private estate in the unspoilt province of Almería, set in a delightful valley overlooking an 18-hole golf course.

Property Investment Opportunity in Norfolk advertisement for a 13-acre village centre land, part enjoying residential planning consent.

American Executives advertisement for a luxury furnished flat or houses up to £350 per week.

Boca Raton Florida advertisement for a superb 4-bedroom, 4-bathroom villa with enclosed pool, on exclusive estate.

Snow Reports advertisement for Cortijo Grande, listing snow conditions for various locations in Southern Spain.

LEISURE

My way in the Cotswolds

TRAVEL

SILVIE NICKLES

THE HOUNDS WERE in the meadows and woods above Winchcombe as we ambled gently along a stretch of the Cotswold Way one day last week. We glimpsed the red and black of the riders, heard the distant hum of the horn and yelping of hounds and, despite my innate disapproval of the whole business, the sight and sound were undeniably stirring.

The day was sharp, dry and almost sunny. In the space of a few miles we came upon some extraordinarily pretty villages, gazed across great expanses of the Severn Vale to the hump of the Malverns and the shadow of the Welsh hills beyond, glimpsed a stately home on two broad round little old churches, passed a ruined abbey and peered into the dim prehistoric chambers of a neolithic tomb. The cottage gardens and woods were full of snowdrops and, in a farmyard leanto, some early lambs nudged at their woolly mums.

The Cotswolds always turn out to be much more extensive than I expect them to be. In the east the land rises in gentle folds, flattening into undulating plateaux, but in the west the drop is sharp, even dramatic, as the Severn Vale and the Vale of Evesham.

Man has always had an intimate association with these landscapes, from the many and distinctive barrows of neolithic times, through an infinite variety of Roman traces, the cottages and merchants' houses of the medieval wool trade and their attendant magnificent churches, the scenes of Cromwellian skirmishes, to the careful husbandry of grand estates and small farms still in satisfying evidence today.

Even if you are not a dedicated walker, the Cotswold Way provides a splendid and ready-made theme for seeing some of the best of the area. Though not officially designated, it is a long distance footpath, it is a most excellently way-marked



The Lygon Arms, Broadway

trail devised by the Ramblers' Association in conjunction with country and local bodies. Broadly, it follows the steep western scarp of the hills rising in places to 1,000 feet, dipping uphill and down dales for 97 miles from Chipping Camden in the north to Bath in the south. Some of it is along roads, the rest relies on a complex system of footpaths and bridleways all exceptionally well marked and easy to follow by even the least practised walker. And though as far as possible, the Way follows the top of the escarpment, its great advantage for those who want more than good scenery and exercise is its deviation into a string of delightful small townships and villages that include Broadway, Stanton, Stanway, Winchcombe, Painswick and Wootton-under-Edge, and past stately homes such as Sudeley Castle, Dodington House, Dryham House. All of which means that the lazy hardly need to stir at all.

When it comes to catering for creature comforts, the Cotswolds are particularly well equipped. The area is dotted with highly prestigious hostellers, such as the Lygon Arms in Broadway and the Close in Tetbury; but on this occasion I set out to investigate a more recent phenomenon—self catering cottages of particularly high standards, offering that extra dimension of seclusion in beautiful surroundings.

Ten of these enterprises in or near the Cotswolds have joined together for marketing

and mutual advisory purposes under the umbrella of Country to Sudeley Castle, a magnificent 15th-17th century pile, despite being knocked about a bit by Cromwell's forces. Katherine Parr, having survived Henry VIII, ended her days here and is buried in the little church on the estate. Sudeley operate a Kitchen Shop service supplemented by splendid oven-ready meals prepared by two ladies in Winchcombe, including Lamb Rosemary and Country Pork Casserole (each £1.50) or Beef à la Bourguignonne (£2.10).

Our third port of call was Owlpen Manor, some distance south near Dursley. Its utter seclusion in one of the little wooded valleys or "bottoms" that are a feature of this part of the Cotswolds is enchanting, and so is the Manor and its self-catering appendages, former featuring such fine furniture and a unique set of 17th-century wall hangings. Owlpen's take-away menu includes Creamy Crab Quiche (£1.55), Game Pie (£2.35), Duck in Orange (£2.50), with a small but useful wine list to match. We followed our hosts' advice and went off to explore one of the other "bottoms" in the vicinity.

A chattering stream led us between steeply wooded slopes, full of the promise of impending spring. There was many a sign of human life but, briefly overhead, a buzzard soared before vanishing behind a hill. Further information: Country Hosts, Swyre Farm, Aldsworth, Cheltenham, Glos. GL54 9RE; Heart of England Tourist Board, PO Box 15, Worcester-shire WR1 2JT.

Sales switch as Geneva opens

MOTERING

STUART MARSHALL



For the tycoon in a hurry—the 135 mph Bentley Mulsanne Turbo, which had its world debut at Geneva this week

BRITAIN, with 17 makes, has a wider variety on display than any other nation at the Geneva show which opened on Thursday. But our share of this affluent and unrestricted market slipped by 25 per cent last year.

Japan gained most at other nations' expense, increasing its share by nearly 25 per cent from 64,500 to 78,300 units, or one-quarter of the total market. To put these figures into perspective, a minor manufacturer like Subaru alone sold 9,650 cars to the Swiss last year compared with 3,090 British cars of all makes.

Germany strengthened its hold, increasing sales from 108,000 in 1980 to nearly 114,000 last year. French sales declined slightly from 54,000 to 48,000 and Italy strengthened its penetration from 31,500 to 34,500.

U.S. manufacturers' sales collapsed from 6,500 to 4,000, and their situation must deteriorate in 1982 when new anti-pollution regulations will make Switzerland into Europe's California. The laws from next summer will insist that each gallon of petrol causes less contamination of the environment even though fuel consumptions will, according to the car manufacturers, increase by about 10 per cent.

One of Europe's most eagerly awaited models has made its appearance at the Geneva show, which is being held for the first time in an enormous new exhibition centre adjoining the airport. The display halls are as enormous and as devoid of character or intimacy as is the

Canada, Japan and Australia. It is the first Bentley with a turbo-charger. Rolls-Royce still won't declare its horsepower, murmuring "more than enough" instead of merely "sufficient." Its painted, not plated, radiator shell and a discreet turbo badge on the boot are the only external giveaways.

Ford display a 115 horsepower, fuel injected Escort RS1800i, with uprated suspension, special trim and a modified version of their new five-speed gearbox, with top lowered slightly for maximum performance. Will it displace the VW Golf GTI from pride of place in the sporting family hatchback class? Ford clearly hope so.

A revamped Alfa Romeo GTV 2 litre, with most of the features of the 2.5 litre V6 incorporated at no increase in price (£7,995) is on show at Geneva and on sale now in Britain. Porsche's grand

ambition is a major show talking point. Even Rolls-Royce, whose Bentley Mulsanne Turbo (£58,613) made its international debut at Geneva, gives its 5 per cent lower fuel consumption equal billing with its 135-mph top speed. They say their new car, which is almost 25 per cent faster from 0-80 mph (7.4 seconds against 10 seconds) than the standard Mulsanne, will be a limited edition to begin with but will eventually be available world-wide except for the U.S.,

of which the 911 SG, still full of vigour though in its 18th production year, has made its bow as a full convertible—Porsche's first for nearly 20 years. It will not replace the semi-opening Targa when it goes into production at the end of the year. The price will be only a little higher than that of the 911 SE coupé and Targa.

Mitsubishi Colt have premiered their 137 mph, turbocharged, all-independent suspension, leather upholstered Starion 3+2 sports coupé at Geneva. It is due to go on sale in Britain in May at about £11,700.

Also turbocharged, but for economy, not tyre-smoking take-offs, are the latest diesel Volkswagen Golf and Audi 80. Official tests show them to be amazingly fuel miserly—the Golf does 63 mpg at a steady 56 mph and 43 mpg in the urban cycle.

More about Geneva next week.

Keen pricing on BL's Ambassador

THE AMBASSADOR hatchback, which BL announced yesterday, is a real improvement on the Princess in a number of important respects. It looks much sleeker, with a family resemblance to the Metro in its slightly droopy nose. Inside, the fascia is cleaner. And at the back, the tailgate (which the Princess really should have had from the outset) opens on a load floor almost four feet wide and extending to an inch under six feet with the rear seat folded.

Alterations to the valving and the use of wider wheels

have firming up the Hydras suspension a little. The Ambassador's ride is outstandingly good. It tramples bad roads flat and doesn't allow much roll to develop on fast corners. Power steering, an extra on the cheaper models, works so well I could not make up my mind whether the 1.7 litre car I first drove had it or not; it just felt sharp and almost effortless.

The give-away is the small hydraulic sucking noise it made on a roundabout.

The seats are plump, almost French in their comfort. The

Ambassador is an exceptionally nice car to be a rear passenger in.

I would like to be as complimentary about the engine and transmission but in truth, the Ambassador is little better than the Princess. The 1.7 litre is a cheerful hard worker but needs a fair amount of gear shifting, and the change is as gritty as ever. There is more transmission noise than there should be in a car aimed at executives. The 2 litre engine is lustier and went well with the automatic transmission, changing smartly from middle to high at around

65 mph when hurrying. But at a 70 mph cruise there was enough mechanical and wind noise (from the mirrors and aerial) plus some tyre rumble to demand higher volume on the radio.

Pricing is very keen, starting at £5,105 for the 1700L, which is the same as the Cortina 1600L four door. The 2000 HL is £6,018, the twin carburettor FLS £6,917 and the Vanden Plas £7,765, which makes it dearer than the cheapest version of the new Rovers. The six-cylinder engine has been dropped from the Ambassador.

The montbretia clan

GARDENING

ARTHUR HELLYER

FEW NURSERYMEN have enriched gardens with so many new and good plants as Victor Lemoine and his son Emile. From their nursery at Nancy in France over a period of something like 80 years starting in the 1850s they produced a constant succession of fine hybrids and selections of many plants including most notably, lilacs, mock oranges (philadelphus) and peonies. The montbretia in its original form was not their happy-go-lucky plant being altogether too lusty and invasive to please any gardeners except those who were sufficiently energetic to keep it under control or who were so lazy that they were content to let it take over. And yet this remarkable plant contained new combinations of genes that were capable of a lot of very unexpected results.

Victor Lemoine made the montbretia by crossing two species which in his day were classified in separate genera and were called *Tritonia aurea* and *Montbretia potzii*. Today they are united in the same genus, now known as *Crocus*, and their names are *Crocus aurea* and *C. potzii*. Both plants grow wild in southern Africa and neither is fully hardy in Britain nor unduly rampant even under the most favourable conditions.

Victor Lemoine can have had no idea that from such parents he would obtain a plant not only fully hardy but also so vigorous and indestructible that even a single corn or rhizome dropped carelessly to the soil, or inadvertently consigned to the compost heap, could in a few years produce massive clumps so firmly rooted that they would be difficult to eradicate.

Yet this monster is capable of producing offspring which are far superior in flower quality and so completely lack its ironclad constitution that they must be fussed over if they are to be kept alive. Lemoine called his plant *Montbretia crocosmiflora* but this was long ago discarded by botanists who called it, rather confusingly, *Crocus crocosmiflora*.

Fresh interest in the plant was aroused soon after World War I by the appearance of numerous named varieties raised by Sydney Morris in his garden at Earham Hall near Norwich.

There were quite a lot of them and in flower quality all were far superior to the common variety. Some, such as Nimrod and His Majesty, were at least three or four times as large as the ordinary mont-

bretria. They also had a much greater colour range.

There were several more and at first they sold freely but we soon found out for ourselves even if disappointed customers had not informed us, that these new varieties completely lacked the constitution of the original montbretia. To keep them alive we had to dig them up every autumn, replant them in frames, keep the soil just moist during the winter and plant them outdoors again the following spring.

Since those rather distant days other gardeners have made attempts to improve the montbretia. Most successful to date is one named Emile McKenna, said to have been raised in Northumberland. It is not unlike His Majesty as I remember it, petals broad and widely spread, in colour orange splashed with reddish bronze. I have had it now for several years, lost it in some places but retained it in others.

However all this is the beginning rather than the end of the story. Something like 20 years ago a new crocosmia arrived from South Africa, a species named *Crocus masonorum*. In habit it was more like a near relation which we had long known as *Antholyza paniculata* but is now called *Curtolus* but is now called *Curtolus paniculatus*. Like that plant it had broadly sword-shaped leaves, somewhat pleated and held stiffly erect. Its 3 ft flower stems curl over at the top to display a tapered cluster of upward facing tangling flowers.

Alan Bloom, founder of the Bressingham Gardens near Diss, Norfolk, had the happy idea of crossing all these plants in various ways, the old montbretia and the even older curious with the new *Crocus masonorum*. To date he has been more successful than any previous breeder of montbretias but do not look for them under that name in the Bressingham Gardens catalogue since all are listed as crocosmias irrespective of their breeding.

The one I like best of all is Lucifer with the colour of Curtolus and the flower quality of *Crocus masonorum* which are its parents. From the same cross comes Emberglow, a rather shorter plant, 2 ft against 3 ft, with what Mr Bloom describes as burnt orange-red colouring. Vulcan is the same colour and height but its parentage is not disclosed. Spitter is the result of mating a montbretia with *C. masonorum* and carries its orange-red flowers on 2 ft stems. He has also made a special selection of *C. masonorum* which he calls Firebird.

All these appear to be excellent garden plants with none of the faddiness of the Earham montbretias. They make small corns like all this tribe but should not be dried off at any season. The next few weeks is an ideal time to plant them in an open, sunny place.

TRAVEL

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BOOKS

Behind Berry

BY ANTHONY CURTIS

Dornford Yates, A Biography by A. J. Smithers...

There must be quite a few people around who still read Dornford Yates...

His lifetime of literary labour must still be producing quite a pleasant income for someone...

William Mercer to call him by his birth-name died in 1960 aged 75...

But it is only one of many puzzling aspects to the life of William Mercer...

wants to discover the cost in human terms of writing all those beautiful, insouciant, immaculate escapist novels...

Actually they do have more point here than usual, because part of the fascination of Mercer lies in seeing how strongly the fantasy fictional life took priority over the real one...

There seems to have been one aberrant moment when Mercer actually turned into a Dornford Yates character himself and assaulted a Frenchman...

did, it is true, switch to writing "blooms" from time to time, but although it increased his readership and his income it did not offer any respite...

The seeds of the Company were sown at Harrow and at Oxford where he became president of the recently formed OUDS...

Mr Smithers was also trained as a lawyer, becoming a regular soldier before turning author (previous books on General Smith-Dorrien and The Kaffir Wars) and is therefore in a strong position to write the life of Mercer...



One of the illustrations for Dornford Yates' most famous book 'Berry & Co' (1921). A biography of the novelist is reviewed today.

Hary-O

BY PETER QUENELL

Piety and Wit: A Biography of Harriet Countess Granville 1785-1862

by Betty Ashworth Collins, £14.50, 207 pages.

During the recent exhibition of Treasures from Chatsworth, the most popular picture, a portrait of a young woman...

Certainly, many of her associates thought her wicked; for besides being the 5th Duke of Devonshire's mistress and the mother of two of his bastard children...

Harriet Cavendish - by the Devonshire House coterie, who made a speciality of their own, her baptismal name is said to have been pronounced "Hah-get Cav-dish" - was one of the great

woman-letter-writer of the English 18th century, and her correspondence is already famous...

Her character was a blend of Piety and Wit. Betty Ashworth's biography, the first yet published, is a sensible, soberly written and carefully researched book...

BOOKS OF THE MONTH

Announcements below are prepaid advertisements. If you require entry in the forthcoming panels applications should be made to the Advertisement Department...

A Dictionary of Data Processing and Computer Terms by R. G. Anderson...

A Guide to the Taxation of Companies by Mavis Moulton & John Sargent...

Cases in Company Law by M. C. Oliver...

Managing for Profit by Patrick R. Mills (Editor)...

Managerial Accounting and Finance by J. Lewis Brown & Leslie R. Howard...

Conditions of Work and Employment in Water, Gas and Electricity Supply Services...

Law of Banking by D. Patterson...

Workforce Reductions in Undertakings: Policies and measures for the protection of redundant workers in seven industrialised market economy countries...

Finance of International Trade by D. P. Whiting...

International Labour Standards: A workers' education manual 2nd edition, 1982...

Money: In Equilibrium by Douglas Gale...

Interior Finishing by Marjorie O'Shea...

Mathproofing by R. J. Mayfield...

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Fiction Family marathons

BY ISABEL QUIGLY

The Survivors by Elaine Feinstein...

Unrepentant Women by Judith Burnley...

Flanagan's Run by Tom McNab...

Level Five by Duff Hart-Davis...

Elaine Feinstein's The Survivors takes two intermarried Jewish clans from the early 1900s to the 1960s...

This might be just another family chronicle, and anyone looking back a couple of generations in his own family could not doubt find a plot or two there...

ghost, and, like Banquo, a pointer to the future as well. It isn't just a case of bringing order to the odd great-uncle or the odd Russian emigre...

Technically criticised by comparison is Judith Burnley's Unrepentant Women, a mixture of fact and fiction which, like many such mixtures, is a bit ambiguous in effect...

The interviewer is Sarah, heroine of The Wife, Judith Burnley's first novel. Seven years on she is the mother of a son (not her husband's) rather haphazardly conceived in the earlier book...

and Mercer seems to me without parallel. To take one more instance, his second wife Elizabeth was disabled, and could only walk with the aid of a stick...

He found a site 20 miles away at Eaux Bonnes where he proceeded to design himself the ivory tower of his dreams (see The House That Berry Built).



Judith Burnley: cocktail of fact and fantasy

because I imagine it was felt the reader wouldn't keep jogging along without incident. Such amazing things happen at every lap: not just the obvious hazards of the terrain, blizzards, desert, this mountain air, torrid heat and freezing cold...

Another racy and adventurous read, shorter and more compact, is Duff Hart-Davis's thriller Level Five, about a search for German gold hidden at the end of the war in a now-flooded mine and sought by a diver...

The plot is fairly preposterous and less journalistic approach to some parts of the bullion market about which the participants in that market like to keep quiet...

Getting to grips with goldi

BY DAVID MARSH

The New World of Gold by Timothy Green, Weidenfeld and Nicolson, £7.95, 260 pages

Among the factors dominating the international gold market, greed, fear, and mystery come out at the top of the list. Timothy Green throws light on some of these uglier sides of the world's most sought-after metal in his colourful book...

Africans and Russians - which have a strong vested interest in the metal.

Where else would you find, for instance, a vocabulary of the special mining Esperanto used to communicate instructions to South African miners (gold is "goldi"; "you are loafing" is "wena lova")...

progressively more involved with the gold industry through his association with Consolidated Gold Fields (in which Anglo-American, the South African mining giant, now has a major stake).

He tries hard to resist offering the one-sided blandishments about gold's future which are so often served up. For instance, he makes the point that the 1970s price jump through the 1970s is unlikely to be repeated during the next decade...

less journalistic approach to some parts of the bullion market about which the participants in that market like to keep quiet...

Some basic economic premises also seem open to question. Of course, one now has the wisdom of hindsight. But his conviction that oil exporters will continue to build up their gold reserves during the 1980s jars somewhat with the current observation that several Opec states are now selling gold to alleviate their balance of payments difficulties...

County Hall

BY ROBIN PAULEY

The Cutler Files by Horace Cutler, Weidenfeld and Nicolson, £8.95, 184 pages

The Government of London is in a special state of crisis in the capital has known 1877 to 1981 and now Opposition leader, could hardly have been better. It is all the more depressing therefore to discover just how banal his files turn out to be...

So the timing of the review of the work of the GLC by Sir Horace Cutler, a man involved in local government for 30 years, leader of the GLC from 1977 to 1981 and now Opposition leader, could hardly have been better.

Except for a persistent and commendable onslaught against bureaucracy The Cutler Files is no more than a personal center through four fairly unimpaired years of Conservative power at County Hall. Page after page unfolds a self-important apology, with a tendency to blame anything and anybody, rather than an objective analysis of why he and his colleagues found their job so not properly done.

In a sense it is not altogether Sir Horace's fault. The GLC was set up in 1964 after a re-organisation involving the abolition of the London County Council, a change prompted by the consistent failure of the Tories to gain control of the LCC over 40 years...

square miles, could identify. It was intended to be a strategic authority but it was always denied the necessary powers for the development and implementation of strategy. The most curious aspect of Sir Horace Cutler's reign at County Hall is the extent to which he abdicated the strategic areas left to him.

The key decision was to let housing go and, with the support of the Conservative Government, to pass virtually all the 225,000 GLC homes to the boroughs, many of which did not want the additional responsibility. This decision removed the key to any effective strategy on employment on a London-wide basis: mobility.

The extent to which a key role has been lost is now being felt by the new Labour administration which, despite its faults, immaturity and occasional air of unreality, seems to be making real attempts to bring strategic and radical thought to some of the capital's more intransigent difficulties - urban transport, job-creation, small-business encouragement and start-up support. But on housing, which should be a central feature, they are too late.

One of the most startling passages in this book concerns Herbert Morrison: "I have been compared with Herbert Morrison in the way I have become identified with London Government. It is a compliment. Morrison was a politician who had an easier life than I because London was Labour-controlled all through his period of office - from 1933 to 1967. Morrison's influence was continuous: there was nothing to stop it, he didn't have to sell anything. He just formulated Morrison did was, economically efficient."

Kids shipped

BY SARAH PRESTON

Children of the Empire by Gillian Wagner, Weidenfeld and Nicolson, £10.95, 284 pages

After uncovering in her last book the complex personality of Dr Barnardo, Gillian Wagner now goes further - in exposing the unacceptably face of philanthropy. In the 70 years from 1885 to 1955, 77,000 British children were sent to Canada, the boys to become agricultural labourers, the girls domestic servants. From ages as young as three or four they were placed with the minimum of supervision in colonial families who wanted an extra pair of hands. Some prospered but others suffered loneliness, hardship and cruelty.

person and Maria Rye, pioneered this solution for the destitute children of our cities. Their lead was quickly followed not only by Barnardo but by the other leading Christian rescue organisations of the day. Later juvenile emigration continued to Australia, through Barnardo's and the Kingsley Fairbridge farm schools, right till the 1950s. It is easy to be sanctimonious about this high-handed and insensitive way of deciding children's futures, sometimes without the knowledge, let alone consent, of their parents. Yet one of the most interesting points to emerge from a book that is too packed with evidence and anecdotes to make easy reading is that from the start there were critics of this approach including Cruikshank, the Dickens illustrator.

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HOW TO SPEND IT

by Feona McEwan



Who says you can't be distinguished in spectacles? Some famous faces that prove you can... from left, Yoko Ono, the artist, television personafidus Kenneth Kendall and Janet Street-Porter



What a spectacle: zany new Butterfly frame from Anglo American popularity used for sunglasses but can, believe it or not, take prescription lenses. Available only from opticians in the colour of your choice.



Award winning actor, Alan Howard, and film actress Sophia Loren

As spectacles continue to make headlines, we take a look at what's happening before our very eyes...

I DON'T know about anyone else but I have had some trouble in focusing lately. For once it was nothing to do with the shortcomings of my own faulty pair of focals. More the result of taking a closer peer into the hot spring of British optics, a subject which has been raising much steam in recent months. It is a knotty issue and trying to unravel the complex strands is an eye-opening task: hence the focusing problem.

Though I don't intend to embark on the debate over prices and monopolies here, it seems that with some 24m of us wearing spectacles or lenses (that is about two people in every five) there are certain aspects that we as consumers should know about.

Few people would disagree that our optical profession is second to none in training, expertise, service and which, in line with the 1958 Opticians' Act prohibiting advertising of any sort, is scrupulously ethical. It is possibly because of the industry's corporate cynicism that we are not always fully aware of the services offered. Signs of a relaxing of the rules came at the end of last year when opticians were given the go-ahead to display price lists in their windows. Unlike frame manufacturers who can boast about their wares in public, opticians, who in effect retail the goods, cannot.

This whole area of opticians' prices is currently under review by the government: on the one hand the Office of Fair Trading is looking into publicity procedures while on the other, news came this week of an inquiry to be announced into opticians' services within the NHS.



SIGHT TEST: Unlike many Western countries to which Britain is compared, eye examinations by qualified practitioners are available totally free to the patient once a year under the National Health Service. It is a good idea to have a check up every two years or so though the signs are that most non-spectacle wearers tend to go about once every eight years. In this we lag behind many European countries and the U.S. A worrying

figure when you consider you can pass your driving test (and eye test too) aged 17 and not be officially required to have another test for the next 40 years or more. It is, however, illegal to drive with vision below required MoT standard.

Surveys have been carried out by the optical industry on drivers that indicate there is a significant percentage who should not be on the roads without spectacles.

Last year, to muffled cries of commercialism from the profession, Debenhams introduced an optician's department into its leading stores around the country, the first to do so. In nine branches you can have a sight test and spectacles made up in about an hour as there are lens processors on the premises. There are now 21 such departments from Dundee down to Plymouth, Swansea across to Norwich, with a possible further 20 opening up this year.

FRAMES: The high cost of many private frames is a prickly issue. The fact is there is no manufacturer's recommended retail price, as there is with sunglasses, and prices can and do vary considerably around the country. Opticians for their part have been unhappy about this, blaming the nominal fees they receive from the Department of Health and Social Security (about £4.50 per eye test, and a £4.20 dispensing fee) as a prime factor in pushing up private charges; a case of one sector subsidising the other in effect.

Now, however, the boot is on the other foot. An increase in the NHS fees to opticians has just been announced to come into effect on April 1 with backdating to 1978 which is when fees were last reviewed.



It remains to be seen if, as the opticians have been intimating, this adjustment of the NHS fees to opticians has just been announced to come into effect on April 1 with backdating to 1978 which is when fees were last reviewed.

Time will tell. Meanwhile let us look at the choice of optical frames in shape, colour and material is endless enough to make selection a choosey business. Cost for most of us will be the determining factor, so take your time and shop around (now prices of frames can be seen in most windows), ask for recommendations from friends, as you would before choosing a doctor or dentist, in order to find the optician for you. Then when you do select a qualified practitioner, follow his advice—you may find only fit certain frames. There is, however, no obligation to buy your spectacles from the optician who performs the eye test. You are entitled to take your prescription to another dispensing optician if you so wish.

If the purse is feeling light, or perhaps you're after a second emergency pair of frames like this writer, look at the NHS frames

first which start at £7.85, inclusive of lenses. There are currently three basic shapes with varying legs and colours (shown here). My goldrim, number 422, cost £15.58 including lenses. For private frames, which can cost well into three figures, the mean average cost is said to be about £35 including lenses, which nobody is pretending is exactly cheap.

Many of these are what the industry calls fashion frames, which nowadays go a long way to making a vanity out of a necessity. Indeed so beautifying are some of the bright coloured plastics, especially for young faces, it's tempting to know whether to take to hidden contact lenses or be blatantly short/long sighted in some of the flattering designs around. If your local optician doesn't stock a range that appeals, you can always try asking him to get in a catalogue of frames of your choice.

Since the 1950s when frame makers first woke up to the fact that people cared desperately about what they looked like in their "visual aids," shapes have become steadily more fetching. In the 1960s specs took on new style acquiring their own glamour and brand of continental chic when some of the world's most admired women—remember Jackie Kennedy, Sophia Loren, Princess Grace of Monaco—centured bespectacled into the public gaze.

But, as with everything else, as one spec spotter told me, "if you're into fashion, you're into money."

So if you want the very latest handmade design in the latest colour you must be prepared to pay for it. "You don't buy a Zandra Rhodes dress," she went on, "and then scream at the cost."

The golden rule is to ask about prices—though of course opticians can't tell you the total package price with lens included until you've had the eye test. According to the Association of Dispensing Opticians most public complaints come from people who have overcommitted themselves and then balk when presented with the bill. Price is made up of three main factors:—

- Price of lens (plus extras such as tints);
 - Price of frame;
 - Any professional charges, if made.
- Many opticians will accept credit cards.



FASHION FRAMES: Lightweight frames are popular in pastel shades, especially soft browns, always the number one colour, according to Oliver Goldsmith, whose family has been manufacturing frames for over half a century. There are no obvious trends, he says, except for a general move towards smaller frames, bringing them back to a more comfortable size; no more the extreme shapes of the 1960s. People are buying something to last now. While he suggests most users ought to have a couple of pairs, one in case of breakage, he finds all too often people possess just half a pair in working order. If you

have trouble finding Goldsmith frames contact Oliver Goldsmith at 18 Station Close, Potters Bar Herts. (tel. Potters Bar 43335) for a free catalogue.

For those of a more extrovert nature, there are the blatant "look-at-me" frames which over recent months have brought colour to the cheeks of many younger faces in a most appealing manner. "Not for people not wearing them not to be noticed" as one manufacturer put it.

The Anglo American Optical Company, which has been responsible for decorating Edna Everage's famous visage, reports strong interest in its range of coloured frames; some 30 shades are available from blues and white through to poppy red, the most popular with both men and women. It also does an intriguing new range of shell colours, like sand and pearl with a transparent effect. Available, or to order, from most opticians. Or you can contact the company (tel. 01-435 3811) for further details.



SUNGLASS FRAMES: It is sometimes possible to have quality sunglasses frames (those made to high optical standards) fitted with prescription lenses but, and it is a big BUT, this depends on your individual prescription and the quality of the frame. Take your optician's advice, for it can only be done at his discretion.

Some of the most eye-catching girls I've come across in specs admit to wearing sunglasses frames—the shapes are often more fashionable they say—with optical lenses fitted. But do remember, the cheaper the sunglasses frame the less likely they are to take optical lenses. You also have to consider the drawback that if the sunglasses frame breaks you are unlikely to find exactly the same shape again unlike prescription frames.

LENSES: Again, the choice of refinements, in most cases, is yours, so check first on prices.

- Plastic—wonderfully light but tends to scratch easily. Not available for adults on NHS.
- Glass—main problem is they can shatter more easily. Choice of safety toughened glass which like windscreens breaks into safety lumps and also laminated glass. Interestingly, in some states of the U.S., drivers are not allowed to drive with untoughened glass in their frames.

- Tints—any prescription lens can be tinted in a large range of shades from pinks, through blues to browns. If you have a fixed that you must also have a clear pair for night driving.
- Photochromic—light sensitive lens that darkens in bright sunlight and lightens in poor light. Not cheap.
- Anti-reflective—improves the transmission of light through the lens and cuts down the ringed appearance of severely short-sighted people.

Frames illustrated throughout the feature are from the adult range available on the National Health Service, from £2.05.

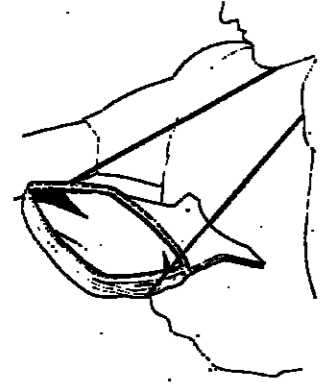


Shades of glamour: new look sunglasses from Christian Dior, style 2179, about £43 from major department stores

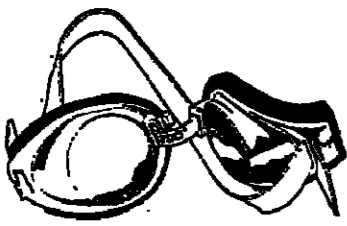


A touch of glass: top, model 132 by Angelo American is a runaway success for men and women, available in 20 colours from most opticians. Bottom, optical illusion of the future, this space age frame was a prizewinner in a recent competition by the frame makers Optyl. Above right, spectacle frame, model 6001-70 by Dunhill, £35 from Dunhill, Jermyn Street, London W1 and at the Dunhill shop in Harrods

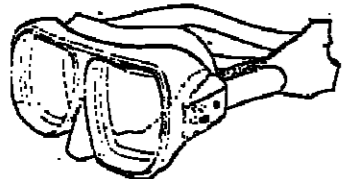
Making eyes



VISUAL AIDS: Easy-view magnifier enables those with older sight to read or do close work and keep their hands free. £3.95 larger branches of Boots.



Speedo goggles enable you to see underwater despite any chemicals, £5.95 plus £1 p+p from Olympic Way, Harrods, Knightsbridge, SW1.



Cressi-Sub mask for sub-aqua enthusiasts, £11.50 plus £1 p+p, can apparently be fitted with prescription lenses, details from Olympic Way at Harrods.

Drawings by Paul Desmond

FOR SPECTACLE WEARERS Barbara Daly, the expert make-up artist who prepared the Princess of Wales on her wedding day comments: "There are no hard and fast rules. If you are very short sighted and can't see to make-up, invest in a good magnifying mirror to avoid making mistakes. In my view very lurid colours don't look good through glasses. Lots of people have trouble with mascara—use one that is at least runproof to stop smudging as the lashes hit the lenses. Look after eyebrows especially if glasses are below the browline; tidy up stragglers. You need mouth colour, too, to balance the face.

FOR CONTACT LENS USERS Insert the lenses before applying and before removing make-up. Avoid mascaras that are fibrous, lash building or proteinised as they flake into the eye. Also avoid very dusty eye shadows or very greasy eye make-up removers and shadows.

Anne Silk writing in *Ophthalmic Optician* recently stresses the need for exceptional care with cosmetics by soft lens users. Contamination from cosmetics she says is a very real problem which can lead to irritation, possible allergic response and lens rejection. Infection can lurk in cosmetic cases and she recommends non-refillable products. And passing round eye make-up among friends is certainly to be avoided.

MAKE-UP Recommended make-up for lens users are the hypoallergenic ranges, ROC, Clinique (widely available at leading department stores and chemists) and Optique which is stocked by Harrods (optical department); Selfridges (pharmacy); Ross Chemists, 3 York Place, Brighton; Lewis's, Manchester; Gordon Drummond Chemists in Scotland. If you have trouble tracking it down contact Cosmetics Optique, 6 Burnhall Street, London, SW3 (Tel. 01-352 6445).



CHILDREN should have their eyes examined as early as possible. There are special pre-school tests available and for children under 16 years of age or still in full-time school, frames and lenses are free. If you choose a frame within the NHS children's range, there are three basic shapes including the nickel Windsor model C223 (shown above top) which has tortoise-shell look "xylo-rims." Most opticians also stock a range of private frames for children such as model 1188 by Viemaline (directly above). Contact lenses may be fitted in some children as soon as they are responsible enough to handle them. Indeed recent research by Janet Stone at the London Refraction Hospital indicates that short-sighted children fitted with hard lenses show hardly any progress in their myopia compared with spectacle wearers of the same age though the reasons are not yet understood.

Lowdown on lenses

There are basically three types of contact lens and your practitioner will advise on the best for you.

- Soft lenses for daily wear. These were developed in the early 1970s, are made of a plastic polymer and have the advantages of being very thin, extremely comfy, they stay in the eye more easily than hard lenses and there's no lengthy adaptation period so they can be alternated with spectacles more easily than hard ones, thus very suitable for half-hearted wearers such as those who want them for sport only. The useful lifespan depending on the user's personal habits (whether you smoke or not, how carefully you handle the lens) is about two years; the minimum for those with sharp nails, two minutes. They must not be allowed to dry out, and if they do and you handle them, they can be damaged. It is, however, relatively easy to lose soft lens tolerance through dirt building up on the surface and users are advised to have six-monthly check-ups.
- Soft lenses for extended wear. These you even sleep in, but though they may sound the ultimate lens there are a host of problems which have made them unpopular in this country (one of these is the long-term monitoring required).
- Hard lenses, made of Perspex. These were developed after the last war when it was observed that shattered Perspex windscreens lodged in pilots' eyes were often surprisingly well tolerated. Hard lenses reached peak popularity in the 1960s and now again in the 1980s there's a resurgence as the problems of soft lenses become more apparent. Eyes vary in sensitivity but the general message is you either can wear hard lenses or you can't, and if you can there tends to be fewer snags. The possible lifespan is about 10 years if they are looked after well. They correct a wider range of prescriptions and are easier to sterilise than soft lenses. There is of course the adaptation period which deters some people. Check-ups once a year are advised.

The important thing to establish when buying lenses is the aftercare offered. A rough average of visits to the optician for soft lenses is five 1-hour sessions. Unlike spectacles aftercare is crucial. Prices again vary, and the most expensive part of the whole procedure is the practitioner's time, but a rough guide is about £45 to £75 for hard lenses and £85 to £120 for soft lenses.

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ARTS

Anything for a laugh

BY B. A. YOUNG

Putting aside the spontaneous jokes of Terry Wogan...

On dear, were Tim Brooks-Taylor, John Cleese, David Hatch, Graeme Garden...

Certainly the hopes and fears and embarrassments of the fictional Wendy are lifelike...

London season for Les Grands Ballets Canadiens

Les Grands Ballets Canadiens, which celebrates its 25th anniversary...

Aftermath at the Barbican

BY WILLIAM PACKER

No one, surely, remains unaware that the Barbican Centre for Arts and Conferences...

The sad truth is that the Barbican's Gallery must count as a chance not missed entirely...

Aftermath, the inaugural show (until June 13) points the nature of the problem very well...



The Delegate by Boris Tassitzky

hard to contemplate. That the Canadians should suffer first is especially sad...

Emmylou Harris

BY ANTHONY THORNCROFT

Country music has always been regarded as good for a cheap laugh but not much else...

Country music received its biggest boost when Bob Dylan went to Nashville to record...

In the southern states of the U.S. country music is the music of the people—tough, contemporary and relevant...

If any singer can make country music respectable it is Emmylou Harris, currently paying her annual visit to the UK...



Emmylou Harris

F.T. CROSSWORD PUZZLE No. 4815

A prize of £10 will be given to each of the senders of the first three correct solutions...

Crossword puzzle grid with numbered squares and a list of clues including 'ACROSS' and 'DOWN'.

TV/Radio

BBC 1

5.25-8.55 am Open University (UHF only) 9.05 am Swim...

LONDON 8.35 Sesame Street. 9.35 Space 1999. 10.30 Times...

REGIONAL VARIATIONS: Cymru/Wales—5.40-5.45 pm Sports News Wales...

ACROSS 3 One of the slings of O.P.?

DOWN 1 Faith, hope and charity sometimes (5)

Solution to Puzzle No. 4814

SOLUTION AND WINNERS OF PUZZLE No. 4809

Solution and winners of puzzle No. 4809

Miss Avril Coutts, 50, Rue Victor Aillard, 1180, Brussels, Belgium

Mrs E. J. Rowland, 46, Green Lane, Broadstairs, Kent

Miss D. Stringer, 6, Moorcrest Villas, New Farmley, Leeds, West Yorkshire

GRANADA

9.30 am Spiderman. 9.40 Thunderbirds. 5.15 pm Bugs Bunny...

HTV

9.15 am The Adventures of Black Beauty. 9.40 Thunderbirds...

SCOTTISH

9.15 am Vicky the Viking. 9.40 Thunderbirds...

TSW

9.05 am Wheelie and the Chopper Bunch. 9.30 The Saturday Show...

TVE

9.00 am Saturday Brief. 9.05 Sesame Street...

TYNE TEES

9.00 am Caribon Train. 9.10 Sport News...

ULSTER

10.00 am St. George. 1.15 pm Lunchtime News...

YORKSHIRE

9.00 am The Saturday Morning Picture Show...

LONDON BROADCASTING

7.00 am AM with Jenny Leacy and Maura...

RADIO 1

(5) Stereophonic broadcast. 5.00 am As Radio 2...

RADIO 2

9.00 am Peter Marshall with The Saturday Show...

CAPITAL RADIO

7.00 am Graham Dene's Breakfast Show. 8.00 Countdown...

CHESS SOLUTIONS

Solution to Position No. 412

1 R-B8; Resigns. If 1...

Solution to Problem No. 413

Paris is Black's QR6 (White's QR3).

RADIO 3

7.55 am Weather. 8.00 Abuda (S). 9.00 News...

THEATRES

ALBERT: 8.30-9.30. Credit Card 379 5555-5556...

ALDWYCH: 8.30-9.30. Credit Card 379 6233...

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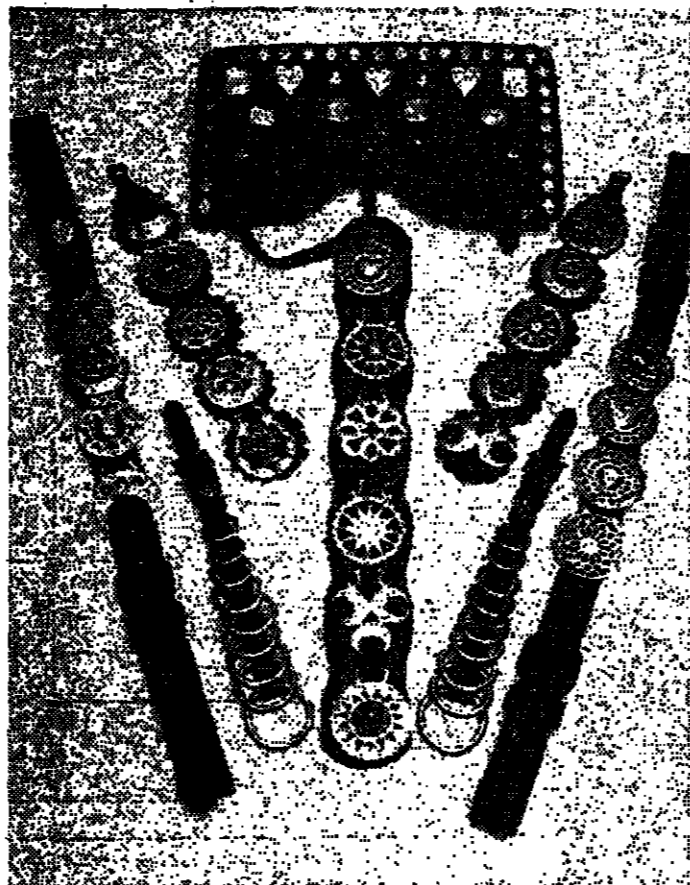
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COLLECTING

Looking for the well-dressed horse

BY JUNE FIELD

OF LATE years the acquisition of horse brasses has suffered a certain loss of prestige. Mainly because of the somewhat quaint cottage-door image they conjure up, and partly because there are fakes and modern reproductions. But now that reasonably well authenticated and documented country antiques are in demand, there are signs that horse brasses, plus their related regalia, are once more coming into their own. It is a collecting category that can take one not only to antique shops and auctions, but to museums, even pubs, who often have fine collections, as well as to agricultural and horse shows, carnivals and the like, because nothing beats seeing the heavy horses adorned with their finery. The complete regalia of brasses borne by a well-turned out cart horse could weigh around seven pounds, accounted for by the number of brass studs on the cast saddle, iron straps behind the saddle and side reins, all of which are decorated with small brasses. According to the importance of the occasion the pieces could comprise the following: Face brasses, one or more to hang down over the forehead; two ear brasses, one behind each ear; six runner brasses, three at each side of the runners at the shoulder; six to ten martingale brasses (the martingale is a leather strap hanging down from the horse's collar and fixed to the girth between the forelegs). Plus any number of brass rosettes and other ornaments together with nose-band and name plates, as well as a "swinger", a miniature brass that swings loosely in a frame fixed over the animal's head, also called a fly-turret. A flyer could also be fixed to the top of a saddle. A harness (curved horn-shaped brass piece affixed to each side of the collar), browband and perhaps plumes for the plaited mane, and a well-dressed Shire horse would be ready for parade. The heyday of horse brasses was in the middle of the last century and lasted until the First World War, when the internal combustion engine put the draught horse out of fashion. When Samuel White began breeding in 1742 he bought a number of Shire horses to haul his drays round the City of London. By 1814 there were some 412 horses carrying draught beer to the company's public houses. Now there are only 15. The significance of the patterns are said to go back to the days of sun worship and the celebration of pagan rites, as well as incorporating motifs suitable to the owner. Horses pulling brewery drays would have brasses with barrels on them, a churn might be found on those animals drawing dairy floats, railway companies had their own brasses, and windmills were for the millers' horses. Knowing your horses makes for added interest. John Vince in 'Discovering Horse Brasses' listed the main breeds. The Shire, a large massive work horse used for the farm plough as well as pulling drays. The Suffolk Punch, native of Norfolk, Suffolk and Essex, and the Cleveland Bay and the Clydesdale, who take their names from a valley, plus the Hackney or Norfolk Trotter, obviously suited to carriage work. Some knowledge of the history of brass and the ways of working is essential for the collector too. Much can be learned by comparing the metal of old brasses with modern reproductions. Old brasses will have developed a patina from repeated polishing, and show signs of wear where they jingled against the harness as the horse moved. Patterns for the cast brasses were made from carved wood or soft metals, a mould was then prepared from fine ash or sand into which the molten metal was poured. Small struts cast into the back of the brass enabled it to be gripped in a vice while rough edges were smoothed away and the face polished. Although finally cut off or filed down, traces of these struts can often still be found. Of course patina can be reproduced by pickling in acid, and wear simulated by buffing, but simulating both patina and wear accurately makes for an unconvincing finish, which does not suggest continuous association with plant life. Horse brasses with designs shaped by stamping in a machine, usually date between the late 1850s and 1910, with the backs of early examples filled with lead. Collections come up only periodically in the salerooms: in 1978 some 104 lots, mainly consisting of five brasses to a



A selection of nineteenth century horse brasses, and leather, including martingales.

lot, sold for a total of £4,881 at a Fulborough, Sussex, sale, while in June 1979 one lot of 212 brasses made £900 at Sotheby Belgavia. What to read: John Vince's 'Discovering Horse Brasses', 1970, in the Sidre Publications discovering series; George Hartfield's 'Horse Brasses - Their History and Origin', 1968; H. S. Richards' 'All About Horse Brasses, 1844 and The Heavy Horse, its Harness and Decoration' by Terry Keegan (Pelham Books). Mr Keegan is a founder of the National Horse Brass Society, which was formed in March 1978. Some of these books may be out of print, but The Horseman's Bookshop, 1 Lower Grosvenor Place, London, SW1 (01-834 5600), who run a postal service, will advise what they have in stock. To see the big horses in their regalia, there is the London Harness Horse Parade on Easter Monday, April 12, in Regent's Park, when the impressive White-breed horses will be on show. As well as still delivering in the City for the brewery, six of them also draw the Lord Mayor's and the Speaker's coach. For free leaflets on their history, send stamped addressed envelope to Miss Jane White, Whitbread Brewery, Chiswell Street, London, EC1. £2.50 including postage from Mr Philip Hedger, Sotheby King and Chasemore, Fulborough Saleroom, West Sussex.)

SPORT

Financial Times sports writers look at problems facing Rugby and soccer clubs on the eve of vital games

Ending the rule of the boot

IRELAND'S first Triple Crown since 1948, coming as it did when least expected, has been warmly and universally welcomed by the Rugby fraternity. It gives an important stimulus to the game in Ireland and rounds off the long and distinguished careers of Slattery, Orr, Keane and Duggan. The final hurdle is in Paris in a fortnight. Ireland should beat what may well be yet another reorganised French pack. With the match following the Cheltenham National Hunt Festival, Ireland could be deserted and the church at a virtual standstill. The comparisons between the Irish teams of this season and the 1948-49 team have been made and indeed there are similarities with the England team when England won their Grand Slam in 1960. But one statistic stresses a major change in the game—the dominance of the boot rather than the hand. In 1948-49 Ireland scored 32 points. They scored four tries (earning three points each) but only four penalties were kicked. Yet this season Ollie Campbell has already scored 37 points from kicks, including all the 21 points against Scotland in the Triple Crown decider. This season the six championship matches have produced only 13 tries. But there have been 85 successful penalties. Either kicking techniques have improved immeasurably or the laws are being flouted disproportionately. I believe that this season's internationals have not been all violent, so most of the penalties have been awarded for what I regard as minor infringements. The International Board will be reluctant to tinker with the laws again. But something radical will have to be done soon if Rugby is to survive as a handling and running game. The 1967 changes in the laws had the specific intent of curbing the predatory activities of back-row forwards and also the creation of space for the three-quarters. It is more than ironic that the game has taken a full-circle, returning to the over-emphasis on forward play, on defence and the importance of the boot. Any changes must centre on the gravity of the penalty for specific offences. Two things are clear. Breaches of the law must be punished and there must be a clear definition between the dangerous and unintentional foul. There are many options open but before choosing any the basic premises must be the encouragement of running and the elimination of dangerous play. On answer may be that all offences except those that constitute dangerous play should be awarded indirect free kicks so that the fractional offside such as that which cost England the match in Cardiff last year are put into perspective. I recall giving away an offside penalty in the 1962 Calcutta Cup and Ken Scotland kicked the goal to give his country a draw. I like the Rugby League practice in the matter of penalties. They have the option of a kick at goal or a two-phase penalty which is a kick-touch and a restart with a tap penalty. If one assumes (and it will come one day) the introduction of a penalty in front of the posts for dangerous offences, the Rugby League type penalty could well be used for lesser transgressions. It punishes and gives the non-offending side a second advantage. I have a great deal of sympathy for referees in all this, certainly the powers vested in the touch judges have made things easier but the laws, particularly those relating to the tackle and the line-out, have made the referee's job increasingly complex. Of course, they make mistakes and are not above criticism but I deplore the way in which their decisions are increasingly questioned. I was astonished to be told by a well-qualified Midland referee that he had to threaten to abandon a school game because of the constant bickering by both sides. But if their elders and betters do not set the example then who is really to blame? The game has changed enormously not just for the players but for spectators as well. Of course, it has to be a players' game but simultaneously with increasing commercialisation of the game some regard for those watching has to be considered. No one plays any game to finish second but if a team loses, is it really the end of the world? Because Rugby is not solely



Ollie Campbell, Ireland, who scored 21 pts from kicks against Scotland.

and simply about winning (except at international level) it concerns the individual and team enjoyment, the weight of skills and the personal satisfaction of knowing that one has pushed oneself to the limit. No one plays badly on purpose and no one likes to lose, but someone has to sometime. Peter Robbins

Eight for the lifeboat

THE EIGHT clubs contesting the FA Cup quarter finals today can afford a small smile. Big crowds are a certainty and a win should make any club financially secure for this season, as more join the list of lame ducks. Although Chelsea are still over £1m in the red, unlikely to achieve promotion and their gates have fallen by 27 per cent, they will, for once, regret that Stamford Bridge is not larger and able to accommodate all those who would like to see their clash with Tottenham, for my money the most exciting team in the land. A home win would be just the right tonic, while a series of profitable replays would not be unwelcome, though not Spurs who are still chasing three other honours. The other all-London Derby is between Crystal Palace, whose gates are 50 per cent down, and QPR. Rangers displayed considerable enterprise by installing the only synthetic grass pitch in the Football League, which allows them to stage other events at Loftus Road and has also meant postponements in the bad weather. They have been rewarded by a slight increase in attendance figures and still have a reasonable chance of promotion. The fact that two more Second Division teams, Leicester City and Shrewsbury Town, are also in the quarter finals, suggests that the standard in the First Division is not as high as usual. Many thought the young, attractive Leicester side would bound straight back into the First Division, but they have missed out somewhere along the line, while Shrewsbury, can be congratulated on learning how to live, as so many clubs have failed to do, within their means. The one "First Division match" of the round is between the two Midlands sides, West Bromwich Albion and Coventry. Neither has done as well as expected this season and for both visit to Wembley would boost local enthusiasm and turn a probable loss into a profit. Albion look to have a much better chance as in addition to home advantage, they are at their best a well-above average team and attractive to watch. Although my four for the semi-finals are Spurs, Leicester, QPR and West Bromwich, I have a sneaking feeling that Shrewsbury will go through, Spurs may need two games.

RACING

THIS AFTERNOON'S Timeform Chase has long been a mid-season goal of Wayward Lad, and there will be more than the odd "Blind Follower" of the Dickinson bandwagon leaving Haydock the poorer this afternoon if the 7-year-old fails in his bid for this 21-mile prize. If Michael Dickinson is right in feeling that Wayward Lad was not yet back to his best when he scored at Ascot last time out, the writing seems very much on the wall for the Royal Highway gelding's three opponents this time. Now thought by Dickinson to have returned to the form which saw him outclassing eight opponents in the autumn's Lumber & Butler Premier Chase, qualifier at Weatherby, Wayward Lad should be seen to maximum advantage over today's similar 24-mile trip with its emphasis on fast and fluent jumping. I expect to see him in command some way out and recording a clear-cut victory of at least four or five lengths over the steadily improving Clayside, who looked just in need of the run, when third behind Duc de Bolebec and Little Bay in the Blackburn Handicap at Haydock. Half an hour after the £14,000 Timeform event, Dickinson and Robert Earnshaw ought to lift their second major prize of the afternoon through Bregawn in the equally valuable Greenall Whitley Breweries Chase. Another much-improved chaser, Bregawn has won on each of his four appearances this term. The 21 lengths winner of a modest handicap at Market Rasen in November, Earnshaw's mount went on to take advantage of a 19 lbs concession from Night Nurse at Haydock on his way to victories over Megan's Boy and Saint Filians at Doncaster and Kempton, respectively. Bregawn, who looked remarkably ill of himself after a gruelling experience on Towra Moor when completing his four-timer in the Freshfields Holidays Chase at Kempton, is not on his running there a sound bet to confirm placings with Saint Filians on 6 lbs less-acceptable terms. However, that runner-up has since disappeared badly and a greater threat is likely to come from Little Bay. A high-class performer on his day, this Little Buskins' 8-year-old would probably have trounced Skegby at Ayr last time out, without knowing that he had been in a race, had Richards decided to keep the blinkers on. Sula Bula can repel a strong southern challenge headed by Morice and Omnipotent in the Victor Ludorum Hurdle, Down in Berkshire. Masterplan is again saddled with the nap in the Philip Cornes Final. Had he not got himself into difficulties with a blunder at the eighth in the Philip Cornes Qualifier at Weatherby on February 6, Masterplan might well have accounted for Spider's Well. Although he meets that opponent on 2 lbs worse terms this time, I believe that Masterplan will be worth a bet in the hands of Francombe. HAYDOCK 1.15—Wayward Lad 1.45—Sula Bula* 2.15—Burrrough Hill Lad** NEWBURY 1.30—Hollow Lough 2.00—Last Argument 2.30—Masterplan*** 3.00—Quarte 3.30—Fledge 4.00—Jack Madness

YACHTS AND POWERCRAFT

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THE BURLINGTON HOUSE FAIR THE BURLINGTON FINE ART AND ANTIQUE DEALERS' FAIR at the Royal Academy of Arts, Piccadilly, London W1 12-21 March 1982 10am - 7pm daily including Sundays (5-9pm Thursday 11 March) Admission £2-50 Students and Pensioners £1.50 including illustrated handbook

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SPORTS DIARY

SOCCER: FA Cup (Sixth Round): Chelsea v Tottenham; QPR v Crystal Palace; West Bromwich v Coventry; Leicester v Shrewsbury Town, today. RUGBY UNION: England v Wales (Twickenham); Scotland v France (Murrayfield), today. BOXING: Professional show (Wembley), March 9. ATHLETICS: European Indoor Championships (Milan), March 6-7. BASKETBALL: Just Juice National Championships (Wembley Arena), March 12-13. BOWLS: Bedford four-rink trophy (Yetton), March 8-9. REAL TENNIS: Amateur Singles (Hampton Court), March 8-21. SAILING: World championship sailing class and world match racing championship (Fremantle), March 11-23.

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Crowther & Synon Lodge. A superb Italian marble wall and iron over door. 16th Century from 'Tapscott Castle' South Kintyre, Scotland. Overall height: 10' 10" Width: 3' 1" Depth: 2' 11". Period panelled rooms in pine and oak. Antique chimney pieces in marble, stone and wood. Life-size classical bronze and marble statues. Superb wrought iron entrance gates. Garden temples, vases, seats, fountains, statues etc.

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Saturday March 6 1982

GOLD AND SILVER TUMBLE

The flight into paper money

By David Marsh

Outlook: dull —and sunny

EVERYONE NOW expects a dull budget next Tuesday, and the financial markets have therefore been celebrating. This is a telling illustration of the times we live in: but whether it proves that abstemious provides a rich reward, or simply that financial markets are now obsessed about public sector borrowing is still a matter of hot debate. It is not simply a local phenomenon: the joy in the London market at Sir Geoffrey Howe's expected caution is simply the counterpart of Wall Street's realisation about Reaganomic deficits. It is hard to remember that there was a time when markets rose on expansionist Budgets, not tight ones.

Lower rates

However, the market is not simply celebrating what it expects to see next week; it is also mightily relieved at what it has already seen in the foreign exchange markets. Sterling, which was once upon a time supposed to fall because of poor competitiveness, rose instead. Embarrassed officials explained that the rules had been changed: sterling is now a petro-currency.

Last year the Chancellor concluded that even a petro-currency responds also to relative interest rates, and announced a tight Budget and lower rates. Sterling duly fell. In the last few days, however, the price of North Sea oil has been cut by 8¢, the market is pushing interest rates down regardless of amber lights displayed in Threadneedle Street, and yet sterling has remained stable. The market seems to have concluded that the rules have been changed again, and in our favour.

What has undoubtedly happened is a change in circumstances: but while some of the changes may prove durable, others are temporary. The fall in the oil price has paradoxically proved rather a helpful change, for it has drastically cut the flow of new investment funds available to Opec surplus countries, and it is the movement of these funds which has made exchange rates so abnormally sensitive to interest rates.

If the Opec ministers decide to cut production this weekend to stabilise the market, the flow of funds will in the short term be reduced still further: but since Opec earnings are sensitive to volume as well as to price, the benefit will be transitory. The oil industry is at present destocking rapidly: when stocks stabilise, production and Opec cash flows are likely to improve.

Good fortune

The Chancellor will also be vividly aware that this is the tax-paying season, which has its own influence on sterling.

It used to be clear that the seasonal strength of sterling at this time of year was due to the effect of the tax squeeze on short-term interest rates. This time the authorities have avoided any squeeze, but the demand for tax funds can still affect the exchange markets. Recent detailed monetary figures have shown that corporate treasurers have learned to take advantage of the end of exchange controls, and hold temporarily idle funds in dollar accounts, where they have been able to enjoy both high running returns and steady appreciation. These balances were sold off to the tune of £1bn in the last full figures to pay tax. This short-term prop for sterling will be kicked away in a matter of days.

Some of our good fortune, then, is temporary; but against this there are three long-term influences working in our favour. The first is the underlying real performance of the British economy. As month follows month, it becomes steadily clearer that the recent productivity performance in the UK marks a real sea-change as is conceded even in a generally critical review of Government policies by the Clare group of economists—largely of ex-official advisers. The exports performance has also made a nonsense of conventional forecasts. When these trends are reliable enough to get built into models, the forecasts may also get sunnier, and the market is already taking note.

This is certainly not an argument for relaxing, least of all on the exchange rate; it is because the industry now works on the assumption that it must adapt to competitive forces, rather than have demand and exchange rigged in its favour, that painful and long-needed changes have been made. To abandon discipline now would undermine the positive achievements of the Thatcher squeeze without necessarily recovering much of the cost of the achievement.

Fair chance

The Chancellor will present a cautious Budget, while no doubt taking modest credit for a cut in commercial and mortgage interest rates and a 14 per cent advance in long-term Government stock this year. He may also say something about the influence of American rates—less than it was, but still here. Yet it is hard to see that the new good news could appear: for Wall Street is still discounting a Budget in the U.S. which looks less and less likely to be enacted. Congress wants to cut spending and deficits, and so cut U.S. interest rates. If it succeeds, it will do more than anything Sir Geoffrey can contrive to give his policies a fair chance.

"NORMALLY when everyone says the gold price is going down, that's a signal that it's about to go up. But this time, everyone's been right."

That was how one disgruntled Arab bullion investor, pouring out a tale of woe this week to his London broker, summed up the present disarray on the precious metals markets.

Gold, silver and platinum have all tumbled this week to their lowest levels for two to three years.

Investors around the world, their eyes fixed on high interest rates, receding inflationary fears and the falling oil price, have been flocking away from the traditional metallic refuges for fooliose funds. In a wholesale flight which this week threatened to become a rout, they have been turning instead to high-yielding deposits—in short, to paper money.

The price decline has been rapid even by the volatile standards of the commodity markets. Compared with its overheated high of January 1980—in the wake of the Soviet invasion of Afghanistan—the gold price is down by 60 per cent. This is a much bigger percentage drop than during the previous gold slump in 1975-76.

Platinum has dropped 87 per cent; and silver—which attracted even more speculation than gold in 1979/80, thanks above all to the attentions of the Hunt Brothers—has plummeted by 80 per cent.

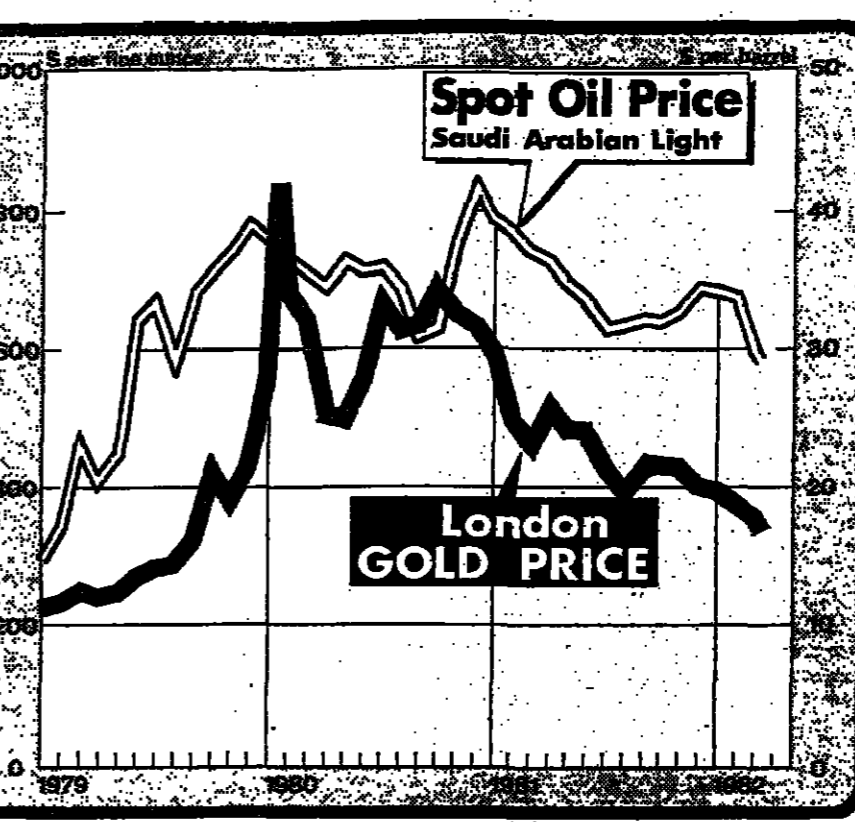
The rise and fall of gold may have done grave harm to the metal's 5,000-year-old reputation as a lasting store of value. Gold more than doubled in price in the three months leading up to January 1980, a surge which at the time gave rise to euphoria among bullion buffs throughout the world. But it prompted incautious investors to jump on to the bullion bandwagon at prices which, with hindsight, could never have been sustained.

"It's all the result of those crazy three months two years ago," said one London dealer this week. "There is still an awful lot of metal that could come on to the market. The situation is horrendously bad."

Serious damage has already been done to the economies of the big gold producers—South Africa and the Soviet Union. Both countries need dollars to finance their balance of payments deficits. Their heavy selling over the past year has been one of the factors pushing down the price. It sets up a vicious circle by creating the need for them to sell even more.

Yesterday, the Russians took the extraordinary step of asking international gold dealers to pass on to the press the information that no net Soviet gold sales have been made for three weeks. Moscow is clearly worried that it is getting the blame for killing off the golden goose.

In Pretoria, the shadow of the falling gold price is looming progressively larger. The Government is preparing to announce a tough Budget later



Marwyn Barnes

this month to compensate for the lost bullion revenues.

Several oil exporting countries, which, at the height of the oil boom two years ago, ploughed surplus revenues into the yellow metal, have also come embarrassingly unstuck.

Selling from Middle East countries which are now suffering financially from the oil price slump has been one of the other potent factors hitting market morale.

Not for the first time, the link between the prices of gold and oil—which both act as indicators of the running speed of the world economic engine—has been amply demonstrated this week.

Some of the Middle East sales, according to market reports, have come from Iran. But Bank Markazi, the Iranian central bank, has denied reports that it has been selling gold, and has stated that it has even recently been buying.

Last but not least, some of the international banks and bullion brokers which reaped profits from the 1979/80 gold and silver boom are now starting to share in the misery of some of their customers.

A handful of international banks have recently announced losses or other difficulties connected with loans to clients who have come to grief through precious metals trading.

The problem is a familiar one for bankers. When loans are made against collateral whose value is sinking—whether it be metal, ships, property or (as Sir Freddie Laker has just found out) aeroplanes—it is sometimes difficult for the banks to extricate themselves from the troubles of their clients.

The difficulties caused by declining metal values are faced not only by private sector

speculators on gold and silver futures markets, whose credit positions with their brokers depend on the fluctuations in the value of the metal they pledge to buy. Additionally, some central banks can be affected through their own borrowing operations.

The Hunt family, which tried to buy up a large proportion of the world's silver consumption in 1979, came a cropper when the price collapsed in spring 1980. The slump in their loan collateral unnerved the banks which had helped them finance the operation.

The Hunts have just reneged

have received more inquiries during the past few months from hard-up countries wanting to raise money against the security of their gold. But at a time when the metal's price is highly volatile, even gold is not as good as it used to be for securing dollar loans.

The overriding fear of bullion bankers is that if too much metal is tied up in collateral for different countries, and if one borrower cannot repay, the gold has to be sold. This might depress the value of collateral of all the other borrowers, and trigger off a nightmare chain reaction of

the Hunts have just reneged on their obligations to the banks which had helped them finance the operation.

‘There is a feeling in the gold market that the recent disclosures of losses will not be the last’

stated on more favourable terms the \$1.1bn banking loan agreed in 1980 to refinance debts run up during the buying spree. But the Federal Reserve has apparently insisted on a strengthening of the requirement that the Hunts gradually sell off their 60m or silver stockpile. The awareness that this huge hoard will eventually come on to the market is another black cloud over the silver price.

Several central banks around the world, led by the South African Reserve Bank, from time to time make use of their gold reserves as collateral for balance of payments financing. International bullion bankers

loan foreclosures and forced sales. One banker specialising in such deals said this week that only about one third of the countries which apply for such loans actually manage to arrange such deals.

The banking problem cases that have come to light so far are:

- Moccata and Goldsmid, the subsidiary of Standard Chartered Bank and London's oldest-established bullion broker, has just announced a sharp fall in profits arising from gold transactions last year. The reason was an unpaid £2.5m debt owed by a branch

drop in precious metals profits for last year. Swiss Bank Corporation reported a 22 per cent fall in 1981 profits from the currency and precious metals sector, in spite of improved results from foreign exchange trading.

Bankers generally deny that they have been tightening up their credit procedures in the light of recent events. "You don't tighten up your customers' rules—you choose your customers well in the first place," said one London metals trader.

The margins which brokers and banks charge clients dabbling in the futures markets have been under close scrutiny ever since the speculative silver bubble burst two years ago. The cash margin is the security deposit which futures market purchasers must pay at the outset to guard against the possibility that the metal's price falls by the time the contract matures.

Margins on the New York markets can be as low as 5 to 10 per cent of the value of the contract—against the 25 to 30 per cent European banks have been known to charge. Brokers and banks which want to attract business, however, sometimes have to offer low margins—which is where the opportunities for losses occur.

The organisers of the London gold futures market, due to start in April, say margins will be "competitive"—which could mean they could be shaved to New York levels.

The other area to which the banks have to pay attention is in the valuation of gold held as collateral for loans. Even the South Africans normally receive a loan equivalent to only 75 to 80 per cent of the value of the gold pledged as security. This gives the lending banks a margin to take account of price falls.

The extra leeway has been badly needed recently. When South Africa arranged the first of its recent round of gold-backed "swap" loans, back in October, the price was 30 per cent higher than it is now.

A key hope among bullion investors who bought not wisely but too early during the past two years is that, at some stage, western central banks might be emboldened to step in and support the price.

But any form of concerted intervention at this stage looks remote. For many European central banks which bought gold at \$35 per oz, the present price still looks dear. Additionally, they would be diverting funds from high yielding Treasury bills. One particular leading central bank governor would probably prefer not to be reminded of his comment—in private—at the end of 1980 that any drop to below \$600 would present an admirable opportunity to buy.

So far, however, his central bank has not been noticeably rushing in to stock up its gold reserves. It is one of the persistent symptoms of a bear market in heading flight that, however far the price falls, for would-be purchasers it is always about \$20 too high.

Letters to the Editor

Tender

From Mr G. Pelly
Sir,—I am a little bemused by the criticism which has been levelled at the merchant bankers who were responsible for handling the recent issue of Amersham shares.
On the figures as shown in the prospectus, the shares at their offered price did not look all that attractive. Now, if you please, as I write, they show a gross yield of only 2.6 per cent and are selling at something in the region of 15.5 per cent earnings.
I notice that it has been suggested that the shares should have been underwritten. I think of the outcry there would have been from certain quarters if some powerful consortium had scooped the lot at a price considerably below that quoted now.
George Pelly,
72, Tverna Court, W8.

Punt

From Mr N. Moore
Sir,—Some 20 years ago, you were kind enough to publish a letter from a relatively new arrival on the City scene, unable in his innocence to understand why issuing houses persisted in fixed price offers for sale while the tender method of share issue possessed such compelling advantages.
Today, more worldly-wise if not wiser, with the Amersham issue only the latest to embarrass its sponsors, I still find the arguments favouring an offer for sale unconvincing. It is said that the small investor has a better chance of taking part. Translated, this means that the stag, professional or amateur, has the opportunity for a riskless punt. Under a tender issue, the serious longer term investor, professional or amateur, has to make a judgment. Nobody who takes the trouble to do his homework or seek professional advice is excluded; in any case, the indicated minimum price always acts as a guide.
As for the Amersham issue: I am intrigued to know why the Government's advisers went out

of their way to confirm the opinions of those who believe the stock market to be the top person's football pool, and, as an observer of the political scene, why the Government accepted that advice, inviting charges of miscalculation and incompetence from opponents blessed with 20/20 hindsight.
Neil Moore,
Remy,
Eridge Green,
East Sussex.

Gas

From Mr L. Cockroft
Sir,—Domestic gas users now face a 22 per cent increase which means that prices will have about doubled in less than five years. All to conform to a policy decision that gas prices are, over three years, to rise at a rate equal to inflation plus 10 per cent. These such principles are themselves responsible for perpetuating inflation, the reason for the extra 10 per cent should be clarified.
It has been alleged that it was required to reduce depletion rates in the gas fields and to maintain parity with energy costs as a whole. Yet oil prices are sliding, further gas fields are being opened up, and British Gas is turning in annual profits of about £1.3bn.
Continuing cost escalations of this character can only be crippling to industry and consumer alike. In industry the effect on ability to compete and maintain employment, investment and profit is obvious. Many domestic gas users will be seriously affected.
Such paradoxes are inexplicable—especially as the up-up to the next Election approaches.
Lionel F. Cockroft,
Oakhill, Todmorden, Lancs.

Ulster

From Mr J. Andrews
Sir,—Integration of Great Britain and Northern Ireland on Sir John Biggs-Davison's lines (February 24) would be a healthy solution to the problem.
On inspection, however, this is idealistic and impractical. The penetration of Northern Ireland politics has been re-

jected by the Labour Party, and the Conservative Party, perhaps due to its historical links with the Unionist Party, has failed to make an impact. The new electoral boundaries and 17 seats for the province may provide the major parties with an incentive to make positive steps in this direction.
Government requires the consent of all the population. I see little chance of the remoteness of British politics in Westminster achieving such consent. British Governments have not involved Ulster MPs in government and even if the major parties did organise in the province the prospects for success are limited. With four major parties in the province minority participation in government could be implemented; thus Mr Prior's proposals must be encouraged. "Rolling devolution" offers a realistic and practical opportunity of increasing the consent and participation of the population in government and thus solving the economic and security problems.
John W. Andrews,
Pembroke College, Cambridge.

Leasing

From Mr R. Wood
Sir,—The report (February 24) about the decline in leasing business quite rightly refers to the effect of the recession on capital spending in general. There is, however, no mention at all of the impact of the 1980 Budget measures, which is almost certainly responsible for some of the decline. Not only did that Budget inhibit local authorities and other public sector bodies by making equipment leased to them ineligible for 100 per cent capital allowances, but private individuals were not allowed to offset capital allowances from "qualifying" leases against the tax on their non-earning income. No such restriction was imposed on corporations, who remain free to "shelter" their trading profits with capital allowances from leasing.
The whole point of writing leasing business (usually at rates of interest in single figures) is that it defers taxa-

Rates

From the Borough Treasurer Restormel
Sir,—Much comment has been made by sectional interests that the burden of rates must be reduced. What these interests really mean is that some other section of ratepayer, other than their own, should pay. This merely changes the problem around the system, does nothing to reduce the burden, increases the administration, and for every pound paid less by one sector adds at least one pound in other sectors. The whole argument relies on the notion that somewhere there is a solution that will allow the present level of service with a lower payment.
These confused thoughts, constantly repeated, ignore the obvious fact that, to reduce the burden of rates, it is necessary to reduce the net expenditure financed by rates. In this way alone can a true reduction be achieved. Every local authority has peripheral services provided for small numbers of persons, many of whom will not be ratepayers. Proper levels of charges would soon determine the actual need for such services. Full use of capital assets, in particular land that is unused or underutilised, would achieve either capital receipts or rents. Committees should spend more time achieving economies, and less time planning increases in spending. The powerful local government associations should spend less time defending the present position, and advise constituent authorities on available methods of cutting the cost of services that have proved effective in other authorities. Comparative statistics of expenditure, which the Government require local authorities to publish, are a start. How many councils have examined their own position in the statistical tables with a critical eye to identify areas where detailed examination would achieve lower costs without necessarily reducing the level of service? With the back grant paying over one half of net expenditure there is little incentive to economise. Subsidy always distorts demand.
In short, Sir, rates can be reduced, provided there is the will to do so.
J. S. Wallace,
28 Sea Road,
Carryon Bay,
St. Austell,
Cornwall.

Equity

From Mr H. Leggatt
Sir,—Malcolm Rutherford (February 26) refers to the debate in the House of Commons relating to the select committee's report on the urgent problem of the retention of our artistic heritage. Having read the relevant Hansard I note that there was all-party consensus on the Treasury's attitude which is now becoming so old-fashioned.
One recommendation made by the select committee, and indeed several years ago by a previous select committee on the Land Fund, was that the revenue should cease to exact interest charges on the value of an art treasure accepted by the Treasury in payment of tax during the time of its negotiation.
This is a matter of administrative equity for which Treasury Ministers already possess the necessary discretion. So in the words of the well-known refrain—"Why are we waiting?"
Hugh Leggatt,
Leggatt Brothers,
17 Duke Street, St. James's,
SW1.

Arts

From the Secretary-General Arts Council of Great Britain
Sir,—While I welcome Malcolm Rutherford's plea (February 26) for "Another penny for the arts" may I correct two incorrect impressions his article gives?
The Royal Shakespeare Company came on to the Arts Council's books in 1964/65. This was not "late" but only one year after we assumed responsibility for funding the National Theatre Board. The assessments of subsidies are not left to chance. The uplift of 17.6 per cent for the Royal Shakespeare Company was as carefully assessed as the increase of 8.3 per cent, not 6 per cent, (Sir) Roy Shaw, Arts Council of Great Britain, 105 Piccadilly, W1.

Bank of India

announce that on and after 8th March, 1982 the following rates will apply:

- Base Rate... 14% per Annum (Decreased from 14½%)
- Deposit rate (basic) 11½% per Annum (Decreased from 12%)

Bank of India

Why South Africa rejoices

IT HAD to be something extra-specially big to downstage the most important split in South African politics for 34 years, but that's what happened here this week when Geoffrey Boycott and the "dirty dozen" arrived in Johannesburg in defiance of everyone from Mrs Thatcher to Mrs Gandhi.

The Prime Minister, Mr R. W. Botha, and his arch-conservative rebels led by "Dr No" (Dr Andries Treurnicht) were rapidly displaced from the front pages by pictures of "England Eleven" cricketers and teams of the hysterical copy of the kind beloved of sports correspondents throughout the world.

Political differences were forgotten. The sober opposition daily, *The Star*, declared that cricket lovers should "let the distant storms rumble away and conclude there is only one Boycott they like—Geoff Boycott." The zany pro-Government *Citizen* was as usual more pugna-tious: "We say unequivocally that there is no colour bar in sport—and anyone who says there is is a damn liar. But the anti-apartheidists and mealy-mouthed critics of this country will not acknowledge the fact because they want to continue to use sport for political purposes."

Against this unanimous (and all-white) euphoric call by one Coloured leader for a protest boycott of the products of the sponsoring company seemed doomed to fail, since South African Breweries is the Republic's monopoly beer producer.

Nor was cricket the only breakthrough. More tours were promised, this time for the coming season—Cardiff, Bangor, Gloucester, even an unofficial "Lions" are said to be booking tickets. The only anti-climax was that the first game of the "England Eleven" produced a dismal performance by the visitors and then a wash-

out under the last of Pretoria's summer rains.

It has been a long time since while South African sports lovers could look to a relaxation of international isolation, but rightly or wrongly—probably wrongly—that is what they have decided this may be. The bad times for cricket started after 1988 when the South African Government refused to have the Coloured South African, Basil d'Oliveira, in the visiting MCC team. There has not been an official Springbok cricket team since 1971. National colours are being awarded for this tour for the first time in a decade.

The arguments that have raged since then apply to all sports and the international boycott has affected almost all of them—23 international associations refuse to admit the Republic—but cricket is also a special case. It is popular among whites but does not approach the national passion for rugby, it is still slightly more "English" than Afrikaans. It is not followed or played by many Africans; and it is not a "contact sport" which makes it less racially controversial. (This is a crude telling point: to defend your wicket against the running leg-breaks of a *Nie-Blanke* is less distressing to many white South Africans than scrumming down with your head between his thighs.) All these factors ought to put cricket in the vanguard of desegregation.

On the other hand, it is particularly vulnerable because, in contrast to rugby, international cricket operates on a network in which a number of non-white governments play a central and valued role. Thus, India, Pakistan and the West Indies—that is, their governments—are certain to make trouble in situations where international rugby nations might be less vocal. This is what is now happening.

The 12 English players who last weekend arrived to play a series of matches in South Africa have stirred a major row among cricketing nations and raised hopes in Pretoria of an end to its sporting isolation.

The debate is the same as ever. On one side is the proposition that sport is somehow distinct from—involuntarily—politics. On the other is the argument that in South Africa, perhaps uniquely, politics pervades every aspect of life: that "you cannot have non-racial sport in a racial society"; that the poverty of non-white facilities, education and also standard of living, as a direct result of the apartheid system, make equality of opportunity and of competition impossible; and that sport is therefore an aspect of racial discrimination.

To digress, the debate is not always helped here by visiting sportsmen. Alvin Kalicharran, the West Indian test cricketer, is playing for the Transvaal this season but seems not to realise that his occupation of an apartment in a posh northern Johannesburg suburb is out of the ordinary (the house, of course, being classified as an "honorary white").

Asked by a reporter whether he knows that there are laws governing where certain races live, he replies: "I don't know what you are talking about." He was excellent last week by an obscure American professional golfer who, interviewed after playing on the local circuit, offered that he had seen "no

sign of black-white separation." Those who admit that politics and sport are inter-related, there are three choices. The first is to insist that, for fear of the consequences, sport must be kept utterly racially separate—as does Dr Treurnicht.

The second is to agree that, in response to pressure, apartheid should be amended insofar as it affects sport.

The third is to conclude that the overthrow of apartheid-in-sport be made part of the campaign to destroy apartheid in toto.

This last is a very important distinction where the argument is being made. It is coming. It already lies at the heart of deep disagreements within opposition South Africa. The desegregation of sport has made considerable progress in the last 10 years. It is perfectly true that multi-racial sport as such is not prohibited—segregation has come either from social habit and preference or from the host of other laws that have made it difficult for the races to play together (drinking, dancing and lavatories have always been the problem areas).

Cynically or not, the Government has gone to some pains to lift these laws as they visit sportsmen. For example, last year the Government made "blanket" exemptions to exclude sports clubs from the restraints of the Group Areas Act, and the liquor laws were amended to assist this: the previous year it was agreed that advance purchase of entrance tickets to matches would suffice as a permit for Whites to enter Black townships.

The whole area is a densely packed minefield but the thrust of government policy has been to ease the way for Whites to enter Black townships.

When the exhausted Springboks returned, it was their captain, Wynand Claassen, who admitted that unless the system changes Springboks are never going to tour again

might, with some justification, claim that it has bent the rules and done its best to make multi-racial and international sport possible. At this point some of the international sport bodies argue that "bridge building" has achieved results, and that the pressure can now be relaxed.

Unfortunately there is still the third alternative—and the reason why the arrival of the "dirty dozen" is not going to change South Africa's sporting isolation. The reality is that the anti-South African pressure has all along been more fundamental.



Graham Gooch is clean bowled during his first match in South Africa on Wednesday

The England players who took a chance

WHY DID Graham Gooch and company decide to go?

The main answer is about £40,000 per player. Although they have, understandably, upset the game's administrators—because their going to play in South Africa may lead to the cancellation of this summer's tours of England by India and Pakistan—a professional player tends to think in terms of the present rather than the long term interests of the game. After all, he has no long term security, could lose form, fail to be selected for Tests, or simply be injured in a crash.

The rebel party can be divided into two distinct groups—those in the twilight of their international careers, who have also enjoyed large tax-free benefit matches—most now worth in excess of £50,000—and could not resist

the attraction of an easy financial killing, and those who are currently established internationals or are hopeful of becoming one.

The players in the second group may have been unwise, especially as an England regular can expect these days to earn around £25,000 per annum. The annual wages of a county player, which vary from club to club, are nothing like as attractive and normally, with bonuses, amount to about £7,000.

They may also have believed that if the South African-born Northants player, Allan Lamb, is chosen to play for England (he is now eligible) then both India and Pakistan would presumably refuse to play, anyway, while a ban on themselves is unlikely to be permanent.

Should Gooch, for example, not be selected for the Australian tour next winter, which would be a loss not only for England, but also for Australian spectators, he would presumably be more than welcomed in South Africa next winter?

The reaction to the South African tour, especially by politicians and some of the game's administrators, was inevitable. After all, it could end international cricket as we know it today, and may well cause problems for other sports, but it might also end some of the hypocrisy which exists.

Until now, the West Indies, India and Pakistan have been happy enough to allow their cricketers to play with, and against, South Africans on the British domestic circuit. But they are unwilling to admit those England players who have been in South Africa.

Trevor Bailey

Weekend Brief

A day for steam roller buffs

RAMPANT HORSES will be running round Rochester in Kent this weekend. The word "run" is used rather loosely, for none will exceed about 4 mph. But it is the word the Road Roller Association chooses for its rally of steam rollers and steam engines to commemorate the centenary on Sunday of the death of Thomas Aveling, a great Victorian engineer and exporter, and "father" of the traction engine.

In 1859, Thomas Aveling, then 35, carried out an important engineering experiment. He had been designing and selling steam ploughs to Kentish farmers.

The idea—invented in 1833—was to position steam engines each side of a field and haul the plough back and forth on a steel cable up to 600 yards long. The handicap was that the engines themselves were stationary and needed a team of horses to shift them. Aveling's experiment was to make the steam plough self-propelling.

He fitted a Clayton and Shuttleworth engine with a long chain drive linking its crankshaft and rear axle.

Overnight he was in the business of building traction engines for ploughing. In 1862 he joined with one Richard Porter to form the engineering company Aveling and Porter in Rochester, known to every steam engine buff as the name behind the rampant horse symbol. According to one enthusiast, the rearing horse came from war banners of the chiefs Hengist and Horsa who invaded Kent in the year 449.

For aficionados, however, the name Aveling and Porter is most readily associated with the steam rollers. Of a total of 12,700 engines built by the company, 8,600 were steam rollers. Aveling designed his first steam roller in 1865 and demonstrated it in Hyde Park. He had replaced the rear wheels of his traction engine with wheels 3 ft wide, bearing down with a pressure of 3 tons per square foot.

The rampant brass horse soon appeared on the streets of Manhattan, showing New Yorkers what British productivity was all about. A report from the Commission on Central Park records that "one day's rolling with the Aveling and Porter machine at a cost of \$10 was equivalent to two days and nights with an eight horse team and seven ton roller at \$20 per day."



No. 1760, the oldest Aveling steam-roller in the UK, will lead the parade

marketing manager of Aveling Barford. You will pay a lot less if you are prepared to do the restoration but it can still cost £3,000-£5,000 "even for a really rough one," he says.

Aveling Barford is the proud owner of what it believes to be the oldest surviving Aveling and Porter steam roller in Britain, made in the year of Aveling's death, 1862. This roller will lead the Rochester rally.

The company expects about 10 of the lumbering leviathans to follow the "Aveling trail" round Rochester at the weekend, and rally on Sunday for the unveiling of a plaque commemorating the engineer. Each owner attending will also receive a souvenir shield of the rampant horse symbol.

The Aveling line survived for 90 years. The last engine under the name was built as recently as 1950, under contract by Vickers-Armstrong, for the Far East.

But steam traction came close to a revival a decade ago, when the American motor industry recognised that steam could beat the crippling new restrictions proposed on emissions from the internal combustion engine. The industry spent prodigiously for a few years on electronic controls for steam engines and flash boilers that would raise steam in 30 seconds instead of hours.

In the end it was beaten by the inherently low efficiency of the external combustion engine when energy prices began to run rampant.

whose usual base is the Valor chairman's suite with its urbane furnishings and spectacular view over the Thames at Chiswick, was given the job to introduce a touch of hard-boiled business to the domestic tourist trade. Since his first appointment he has battered governments, local and national, and harried industry to get the tourist business taken seriously. The underlying text: "Leisure is increasing, giving us economic opportunity. It is an important section of the economy and jobs go with it."

It is a message which is not always welcomed. When he met City representatives to plead the case of a vast Ribblesdale redevelopment with seafood restaurants, and a fishing museum—a natural adjunct to the attractions of the Tower, he argued—the reaction was "mute."

He reckons the message went home pretty quickly with Mr Ken Livingstone's new corps at County Hall in London. The Labour team came in breathing fire against tourists but now seem to understand what a vast source of income and employment they can be. "Do you realise that Bath gets more from its own tourist receipts than it does from the rates," he cries with the fervour of an oft-overlooked preacher.

Montague's constant example to reluctant mayors is New York. Under pressure from every direction that city "looked to tourism and entertainment for the answer, and it worked."

Britain's tourist organisations are beginning to be envied the world over, even if the Scots believe that the BTA chairman Sir Henry Marking and Montague of England are the key figures in a London-oriented mafia that steers visitors south of the border.

But not working quite well enough yet for Montague. Among his current campaigns are Sunday closing, development grants and year round seaside leisure centres. "I feel passionately about Sunday trading. I do not see why people in this country should be treated like a pack of juveniles who cannot make up their own minds." Here, however, he sees a ray of light. Wimbledon and Crutis are both moving to Sunday operation this year.

Course for nervous driving test takers

PEOPLE WHO are nervous before taking driving lessons or their driving test, can take a course of Pre-Driver Training in the City of London during lunch hours and late afternoons. The course is of six sessions of one and a half hours each and the last one gives a mock test to each of the six pupils seated in the Link simulator. The course is one of several in the City's road safety programme, which includes advice on motor insurance and the "breathalyzer".

Each Link simulator is connected to a computer so that faults are recorded and instructors can discuss these with the pupils afterwards.

The simulator has brake and clutch pedals, gear lever and speed indicator and of course, a driving wheel and driving seat. These are designed to give you the "feel" of being in a car but without a windscreen or hood. Pupils are able to learn the use of gears, brakes, steering, the essentials of car control. They also learn to deal with intersections, traffic lights and pedestrian crossings, how to drive in open country, in sunshine and rain. Driving in heavy city traffic is another skill dealt with by the instructors.

I attended the last session of the course and sat in a simulator while the film of the test was shown on the wide screen. The driving instructor gives clear, precise statements of what is demanded of the pupil following the car driven in the film. The course was placed in the driving seat of a car when the windscreen had been removed so there is no distorted vision, so that a pupil can turn the steering wheel to the angle of the car on the screen and do this without jerkiness or tension. I found it more helpful than heavy city traffic is another skill dealt with by the instructors.

A student of 17 was taking the "test" the day I attended the course in Basinghall Street and only very minor faults were signalled by the signals on the simulator. It is significant that the father of the student was himself a driving instructor and had paid for his child to learn correctly while young. Full-time students under the age of 18 pay only £4 for the course while the adult fee is £9.

The courses are designed for non-drivers but visitors from countries where there is a left-hand drive may find a course useful.

One of the instructors, Mr Dandy, told me that women do quite well on the course usually. The Corporation of London's Road Safety Centre, 71 Basinghall Street, London EC2Y 5HN is the address and application forms can be obtained.

Contributors
David Fishlock
Arthur Sandes
Elizabeth Shearing

TODAY: Second Arab Energy Conference in Doha (until March 11).

MONDAY: Final January retail sales figures. Provisional wholesale price index numbers for February. Fourth quarter construction output figures. EEC Research Council meeting in Brussels. European Parliament starts five-day session in Strasbourg. Law of the Sea Conference opens in Geneva (until April 30). Nato Foreign Ministers meet in Brussels to discuss Poland.

TUESDAY: Budget statement. Provisional figures of vehicle production for February.

Central Government transactions (including borrowing requirement) during February. Provisional estimate of money supply for mid-February. London clearing banks' monthly statement. Nurses due to receive response to pay claim. Daily Mail Ideal Home exhibition opens at Earls Court (until April 3). The Dail reconvenes. Public hearing on the CAA's cheap fares plan (until March 12). Business Enterprise show opens at the National Exhibition Centre, Birmingham.

Economic Diary

WEDNESDAY: UK balance of payments for fourth quarter. Commons debates Budget. TUC economic committee. Lords debates National Health Service. London bus and underground strike. OECD meets in Paris. Confederation of Shipbuilding and Engineering Union discusses pay. TEURSDAY: Commons Budget debate continues. President Mitterand arrives in Washington for talks with President Reagan. "Fairs fare" campaign mass lobby of Parliament and rally

at Central Hall, Westminster. GATT panel meets in Geneva to discuss EEC subsidies on Hour exports. CBI conference on West Africa—Nigeria and other key markets at Centre Point, WC1.

FRIDAY: Building Societies' monthly figures for February. Usable steel production for February. Mrs Thatcher launches "United effort" at Austin and Pickersgill's Southwick shipyard. Scottish Labour party annual conference in Perth. NBS ancillary staff in pay talks. TGWU working party discusses the future of statutory national dock labour scheme.



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UK COMPANY NEWS

18
Companies and Markets

Westminster & Country advances

DESPITE pressure on anticipated profit margins, the taxable surplus of Westminster and Country Properties rose from £178,000 to £215,000 in the first half to October 30 1981, with a £14,000 increase in turnover to £154m.

Stated earnings per 25p share moved up from 5.3p to 5.6p and the net interdividend is being lifted to 2p (1.25p). Last year a total distribution of 4p was paid from earnings per share of 17p and pre-tax profits of £262,000.

Mr D. B. Parkes, chairman, says this property and investment group's development programme is continuing successfully in the face of the pressure on margins.

Turnover was made up of property rentals of £207,000 (£182,000) and sales of £133m (£121m). Operating profits comprised the surplus on rentals of £208,000 (£197,000) and sales of £66,000 (£41,000) the balance transferred to reserves was £121,000 (£135,000).

First half fall seen by GRA

TRADING RESULTS of GRA Property Trust will show a very significant deterioration in the first half of the current year, in an annual statement, Mr E. J. Aarons, chairman, reports that continuing problems of the recession and deepening unemployment, exacerbated by bad weather in December and January and severe transport disruption, have contributed to a marked downturn in the traditionally weak quarter to the end of January.

However, the company is now free of the burden of the Scheme of Arrangement under which it has operated since 1976, and it is well placed to take advantage of any upturn in the economy.

The directors intend to apply for the company's shares to be admitted to the Official List of the Unlisted Securities Market. Work on the information requisite to application is well advanced.

Subject to shareholders' approval it is planned to seek a quote shortly after an EGM to be held in accordance with the White City Stadium on March 31 at 10.30 am.

At the meeting, the directors will propose new Articles of Association, the changing of the company's name to GRA Group and an increase in authorised capital and capitalisation of reserves.

It is proposed that the authorised capital be increased to £2.5m and that a scrip on the basis of 3-for-1 shares of 1p be made. Every 10 shares will then be consolidated into one share of 5p. This will absorb £1.93m of reserves and will result in an issued share capital of £2.14m.

As reported on January 30, taxable profits for the year to October 31, 1981, fell from £943,000 to £733,000 and earnings per share from 1.45p to 1.01p.

Higher bonus rates from Refuge Assce.

Higher bonus rates have been declared on all Ordinary Branch with-profit contracts by the Refuge Assurance Company following the 1981 valuation.

For assurance contracts the reversionary bonus rate is improved 30p to 55.20 per cent of the sum assured. The company is keeping the terminal bonus rate unchanged at 25.50 per cent of the sum assured for each year in force, the improvement coming by only excluding the first two years, instead of the first five years as previously.

Ault & Wiborg returns to black in second half

HIGHER second half taxable profits of £885,000, against £197,000, pulled Ault and Wiborg Group out of the red at the interim stage to a pre-tax surplus for 1981 of £120,000, compared with £1.18m for the previous year. Turnover for the 12 months rose from £53.35m to £54.55m.

The directors of this manufacturing and marketing of printing inks, printers rollers, paints, chemicals and coatings, say there was a significant improvement in trading profits in the second half assisted by rationalisation measures.

However, with earnings per 25p share plunging from 5.59p to 0.11p on a net basis, and from 6.04p to 0.64p on a nil basis, the year's net dividend is being reduced from 1.8p to 1.35p, with a lower final of 0.75p (1.05p).

Looking to the current year, the directors say that although there have been signs of improvement in the economy, trading conditions remain difficult.

Current cost adjustments reduced the pre-tax profits to losses of £1.5m (£957,000).

Revenue from operations was £551,340 (£488,702), and associated companies' debt interest was £47,806 (£75,186). Associates share of losses was £44,592 (£30,650) profits. Tax for the six months took £104,124 against £131,354 for the previous 35 weeks. Net revenue came out at £150,132 compared with £141,926, and stated earnings per 25p share were 0.75p (0.99p).

Lord Remnant, the chairman, says during the past quarter equity markets for oil and gas stocks both in the UK and abroad, have continued to be

DIVIDENDS ANNOUNCED

Company	Current payment	Date	Corre- payment	Total of year	Total last year
Alliance Trust	8	April 23	7.25	11.25	10.5
Ault and Wiborg	0.75	May 28	1.05	1.25	1.8
Courtesy Pope	1.2	May 17	1.2	2.05	2.05
R. P. Martin	3.65	April 24	2.75	—	8.25
Romano Tea	22.6	April 1	22.5	22.5	22.5
Solus	2	—	1	2	1
Westminster and Country Int.	0.531	April 2	0.53	—	1.23
Williamson Tea	12.5	April 30	12.5	12.5	12.5
Yorkgreen Inv.	0.221	—	—	0.861	0.441

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †For 18 months. ‡For 12 months. †For 18 months.

and is — bad, but the figures conceal a 2½ fold increase in pre-tax profits second-half on second-half. The company claims that the two 1979 acquisitions are washing their faces but since then gearing has risen from 25 per cent to 55 per cent. Ink continues to represent half of Ault and Wiborg's business but, unable to pass on cost increases to the customer, was a loss maker for the first time in 1981. The company has cut the workforce in this area by 150, but the slimming down is not over

R P Martin surges to £3.56m

REFLECTING the immediate benefits of the merger with the Bartlett Group, the effect from August 14 last, taxable profits of R. P. Martin and Co. foreign exchange and currency broker, surged from £705,000 to £3,560,000 for the six months ended December 31 1981. Turnover was also doubled to £9.9m, against £4.27m, after a pre-acquisition figure of £993,000.

First-half earnings per 5p share are shown well ahead from 10.27p to 15.91p and the interim dividend is lifted to 3.85p (2.7p) after a pre-tax final was 5.5p paid from a pre-tax surplus of £2,17m on turnover of £9.91m.

The directors state that preliminary figures for the enlarged group prepared on the basis of the merger had been effective from July 1 1980 show turnover of £18.89m and taxable profits of £6.12m for the 1980-81 year.

Six months' profits included associates share of £458,000, compared with £252,000, and were subject to tax of £183m (£284,000).

After minority interests, Mr Caspar Macdonald, his son (the group's sales director) and Mr J. C. Smith, the chief executive.

Some of the shares in the offer are being sold by Mr Macdonald, Hill and Mr Smith but others will be new shares.

Following the controversy over the Amersham offer for sale, AMI contemplated making an offer by tender, but Mr Smith said he thought the public would not understand one. Also he doubted that the offer did not present the kind of pricing problems that Amersham did.

The offer is being made by County Bank and Cazenove are brokers.

AIM Group to be floated by offer for sale

THE FAST growing manufacturer aircraft cabin interiors AIM Group is being floated on the Stock Exchange later this month by way of an offer for sale of between a quarter and one-third of its share capital.

The group makes galleys and cabin service units, overhead storage racks, soundproofing materials, interior decor and trim and aircraft seating. It supplies equipment for military and civilian aircraft and to both aircraft manufacturers and airlines.

Profits have grown from £141,000 in the year to April 1977 to £1.7m last year. A forecast of a further significant profit increase for the current year will be included in the prospectus.

Net tangible assets at October 31 1981 were £3.4m.

The company was founded in 1970 by Mr R. Macdonald-Hill, the present chairman, but has been owned equally since 1974 by Mr Caspar Macdonald, his son (the group's sales director) and Mr J. C. Smith, the chief executive.

The offer is being made by County Bank and Cazenove are brokers.

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Interlite growth aids Yorkgreen

In the 18 months to Oct 31, 1981 pre-tax profits of Yorkgreen Investments were £1,774,447 against £120,141 for the previous 12 months.

The directors say the results reflect the continuing growth in turnover and activities at Interlite Linear Controls. For the first time they incorporate results on an associated basis of the Tubex Group, following the effective change of control of that company in November 1980.

They also reflect the write-off of £1,17,503 of goodwill which arose when the 50 per cent share of Interlite was acquired in 1978.

The final dividend is 0.21875p, a forecast for a total of 0.65625p after 12 months.

The pre-tax figure was struck after associates' losses of £28,671 (£12,941) and attributable profits emerged at £99,247 (£190,836) after extraordinary debits, including the goodwill written off, totalling £121,041 (nil).

Stated earnings per 10p share were 2.97p (1.83p).

Interlite's pre-tax profits for the period ended 31.12.81 were £131,723 for the year to April 30 1980. The company has added new products to its range, including a range of lighting panels and a demountable aluminium ceiling system. These have been well received.

It is negotiating to acquire marketing interests in additional products, but meaningful profits will be derived on a longer-term basis, say the directors. At the end of the year both turnover and volume were in advance of the corresponding period in the previous year.

The rights issue by Steaua Romana (British) of 3,64m shares at 45p per share has been taken up as to 41.86 per cent and the balance has been sold at 45p net.

Takeover panel looks at ACC share position

BY JOHN MOORE, CITY CORRESPONDENT

THE Takeover Panel is investigating suggestions that more shares in Associated Communications Corporation, the entertainment group at the centre of a takeover battle, have been purchased by overseas interests.

The shares are understood to have been purchased over the last two days at prices up to 97p on the London stock market. The purchases have been made in the non-voting "A" shares of ACC which are quoted on the Stock Exchange.

In the City yesterday it was thought that the shares had been purchased by a small broker in London who was acting on behalf of an Australian broker, representing Australian interests.

On the stock market the non-voting shares of ACC closed at 94p, up 2p at the close of yesterday's trading.

The price on the stock market comes with a 90p per non-voting share in cash offer by Heron Corporation, the diversified private company headed by Mr Gerald Ronson, and offers by Mr Robert Holmes & Court's

Bell Group, respectively worth 86p per share in cash and 85p per share in cash.

A block of 1m shares in ACC represents around 2 per cent of the non-voting equity.

Central Independent Television, in which ACC holds a 51 per cent interest, said yesterday that it was "somewhat surprised" at reports that Heron Corporation, if successful in its bid for ACC, planned a form of "preferential customer" agreement with Central.

Central said that its franchise agreement with the Independent Broadcasting Authority made two points quite clear: "The franchise was on a clear understanding that there would be an arms-length relationship between Central and ACC. Secondly, the making of programmes is entirely our responsibility."

It added: "We have absolutely no commitment to ACC or any of its subsidiaries or anybody else." There would be "no guaranteed output" for ACC, said Central. "If whoever takes control of ACC wishes to offer programmes, we will certainly

BIDS AND DEALS

AAA sells Curtagil for £133,550

Agil Holdings, a subsidiary of AAA Industries, has agreed to sell Curtagil, its cutting oil business, to Mr D. A. J. Doyle, a former director of Agil and AAA, for £133,550 cash.

AAA has agreed to purchase Mr Doyle's shareholding in Agil together with the benefit of its option to purchase shares in Agil, for £135,000 cash.

BALFOUR KILPATRICK Balfour Kilpatrick, part of the BICOM Group, bought its parent Balfour Beatty has made its first move into Mexico. The electrical and mechanical services contractor has taken a 49 per cent shareholding in a new Mexican company, Dicomsa, Balfour Beatty has made its first move into Mexico. The electrical and mechanical services contractor has taken a 49 per cent shareholding in a new Mexican company, Dicomsa, Balfour Beatty has made its first move into Mexico.

Fleet share purchases LORD MATTHEWS, chief executive of Trafalgar House, more than trebled his stake in Fleet Holdings on his first day of stock market trading. Fleet, the newly-formed spin-off of the Trafalgar House newspaper and publishing interests.

SHARE STAKES Cosalt—J. Carl Ross, president, sold 25,000 ordinary shares on February 23 at 35p and a further 25,000 shares on February 24 at 34p, thereby reducing holding to 353,128 shares.

United Newspapers—Legal and General Assurance and Drayton Premier Investment, following a recent increase in issued capital, no longer have a notifiable interest.

Biscuits Tin—Janjar has acquired a further 30,000 shares. Following the acquisition Mr E. Hassar/Janjar and associates now hold 944,500 shares (14.46 per cent).

Greenfriar Investment—Witan Investment holds 1,645,000 ordinary shares and 329,000 warrants to subscribe for ordinary shares (41 per cent of each class).

Consolidated Trust bought 547,000 ordinary shares on March 1 making holding 325,875 shares (5.95 per cent).

Spencer Clark Metal Industries should have had a better second half as a result of vigorous cost control and some price increases. Analysis will also be looking in the statement for an indication of the group's future in the tougher economic conditions this year in South Africa, Australia and the U.S.

against £80.3m last time. Both the Australian and U.S. subsidiaries have done well, with Australian profits up by nearly 50 per cent over last year. The rights issue to May helped to reduce borrowings and thus bring down the net debt to £1.6m for the year. The company's debt-mixed programme to improve productivity and sharpen up its marketing activities now appear to be bearing fruit, particularly in the drinks division. Analysts predict a slight increase in final dividend, perhaps to 3.2p to provide 4.5p for the year against 4.1p last time.

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Company	Announcement date	Dividend (p)	Final	Int.	This year	Company	Announcement date	Dividend (p)	Final	Int.	This year
Alfred International Securities Corp.	Monday	1.3	3.45	1.5		Royal Dutch Petroleum	Thursday	9.00	3.88	3.00	
British Aluminium	Friday	5.5	2.0	—		Scottish Television	Friday	1.2	4.5	1.75	
British Vita	Monday	2.6	2.6	2.7		Shell Transport & Trading	Thursday	8.5	4.0	5.5	
BTR	Monday	3.5	3,666.67	4.25		Stag Furniture Hdgcs.	Wednesday	1.75	3.25	1.75	
Clarks (T)	Thursday	1.2	2.9	1.3		Tube Investments	Friday	4.0	8.0	4.5	
Comben Group	Thursday	1.2	1,745.57	0.53		United Biscuits (Hldgs.)	Wednesday	1.5	2.5	2.5	
Davies & Mervell	Tuesday	1.2	1.3	1.2		Woodhouse & Dixon (Hldgs.)	Thursday	1.87	2.5	2.5	
De Beers Consol. Mines	Monday	0.45	10.2	0.57		Woolworth F.W. Inc.	Tuesday	0.9	0.5	0.5	
Farmar (S. W.) Group	Tuesday	25.0	80.0	25.0		INTERIM DIVIDENDS	Wednesday	1.225	2,985	1.225	
Gas & Oil Acetage	Friday	—	—	—		A.A.H. Holdings	Monday	1,915	3,788		
Goodfields Leisure	Monday	0.84	1.31	—		Clark (Matthew) & Sons (Hldgs.)	Thursday	2.0	5.5		
Hongkong & Shanghai Banking Corp.	Tuesday	0.1449	0.218	—		Green (R.) Properties	Monday	0.8525	1,975		
Invergordon Distillers (Hldgs.)	Monday	1.5	2.5	1.5		HTV Group	Thursday	3.5	1.8		
Jevons Engineering	Monday	—	1,125	—		Hunt & Messers (Hldgs.)	Friday	0.28	0.54		
Kode International	Thursday	1.75	3.5	1.75		London & St. Helier Trust	Tuesday	0.8	1.4		
Lunova (Ceylon) Tea & Rubber Ests.	Wednesday	6.0	60.0	6.0		Messers (Hldgs.)	Monday	2.5	5.0		
Martin-Black	Friday	—	—	—		NEW SYLHET	Thursday	—	—	0.01	
Murray Glenwood Inv. Trust	Thursday	0.9	1.8	0.9		The offer by Bon Marche Wine (Shippers) for New Sylhet Holdings has been declared unconditional.					
Needlers	Thursday	0.35	0.7	0.35		Acceptances have been received from the holders of 90.07 per cent ordinary shares and 98.5 per cent preference shares being 95.56 per cent of the total voting rights of New Sylhet.					
New Equipment	Thursday	0.84	1.21	0.925		The offer remains open until March 17. Bon Marche will then apply the provisions of Section 209 Companies Act 1948.					
North-South Industries	Thursday	0.81	1.21	0.81							
Refuge Assurance	Thursday	3.8	4.0	3.8							
Robinson (Thomas) & Son	Thursday	1.0	4.0	0.5							

Second half recovery lifts Ahold earnings

AHOLD, the Dutch food retailer, reports a strong recovery in second half profits and as a result has managed to emerge from 1981 with total earnings slightly up at Fl 53.9m (\$21m), against Fl 51.9m.

Bad debts force Dutch bank to cut dividend

NMB, the major Dutch bank, reports a decline of almost a fifth in net profits for 1981 and as a result is cutting its dividend to Fl 12 a share from Fl 14.

Earlier this year the bank revised its profits forecast for 1981, downgrading its initial expectation of broadly maintained earnings into a decline in profits.

Balance sheet total at the close of the year stood at Fl 55.5bn for a gain of 16 per cent over the December 1980 figure. Deposits were 12 per cent higher at Fl 52.1bn, while entrusted funds grew by 16 per cent to Fl 52.4bn.

Braniff to benefit from air ticket plan

By David Lascellas in New York THE Civil Aeronautics Board (CAB) was yesterday expected to approve a ticket-honouring scheme proposed by the airline industry.

Massey seeks new cash arrangement with bankers

MASSEY-FERGUSON managed a slightly better performance in the first quarter than was forecast shortly after Christmas. But the Toronto-based group makes it clear that the world recession and low commodity prices will make fiscal 1982 another very difficult year.

Earlier Massey had forecast a loss of \$85m for the first quarter. The slightly better performance was attributed to benefits from restructuring and cost reduction programmes.

World's number one tractor maker and number two in combines. Sales of farm and industrial equipment overall were \$381m, down 6 per cent from a year earlier, while engines sales fell by 21 per cent to \$100m.

Allianz premium income up 11%

ALLIANZ VERSICHERUNG, West Germany's largest insurance company, which now owns 28.2 per cent of the British Eagle Star group, will maintain its dividend for 1981 at the 1980 level of 20 per cent.

Premium income for the group rose by 11 per cent to DM 13bn (\$5.5bn) worldwide, while domestic life increase was 9 per cent to DM 6.3bn.

Munich-based company's chief executive reported continued weakness in Allianz's technical insurance business, and in cover for buildings, transport, theft and household appliances.

Linde increases sales but order inflow slows

LINDE, the West German mechanical engineering group, increased turnover last year by 14.5 per cent to DM 2,858m, but order inflow slowed in the first quarter.

The company, which is active in refrigeration and process engineering, materials handling and industrial gases, is holding its dividend at the previous year's level of DM 9 per share.

Rise in profit and payment at Hang Seng

HONG SENG BANK, the major Hong Kong bank, reports sharply higher profits for 1981 and is stepping up its dividend by almost half on a comparable basis.

Strong advance at Danish shipping group

By Hilary Barnes in Copenhagen DFDS, the Danish shipping group, increased net profits from Dkr 28m to Dkr 67m (\$8.4m) and operating profits from Dkr 22m to Dkr 126m last year.

Setback at Philippine Long Distance Telephone

PHILIPPINE Long Distance Telephone Company (PLDT), which owns and operates more than 90 per cent of installed telephones in the Philippines, reports an 18 per cent drop in net income for 1981 despite a 24 per cent increase in operating revenue.

The company did not give last year's figures, but looking at the percentages against the 1980 results, PLDT must have achieved a net income of Pesos 205m (\$24.6m) and an operating revenue of Pesos 1,286 in 1981.

David Jones raises payout at halfway

By Graeme Johnson in Sydney DAVID JONES, the Sydney retailer which is 44 per cent controlled by Adelaide Steamship, more than doubled its six months' profit and will lift the interim dividend from 5 cents to 7.5 cents a share.

Carbox buys stake in Ashland Coal

By Robert Graham in Madrid THE SPANISH state-owned coal trading company, Carbox, has bought a 10 per cent stake in Ashland Coal, the U.S. coal company, for \$40m.

Herstal moves out of the red

A SHARP turnaround from loss into profit for 1981 was announced by Fabrique Nationale de Herstal (FN), manufacturer of a range of sporting and military guns which includes the FN rifle supplied to Nato forces.

New orders booked by Linde in 1981 totalled DM3,210m, a fall of 8.8 per cent from the 1980 level, which had been boosted by two large process plant contracts.

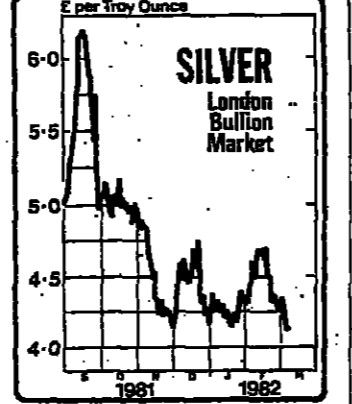
Commodity investment without tax. I.G. Index Limited. London SW1W 0BD. Telephone: 01-232 5693.

COMMODITIES/REVIEW OF THE WEEK

Gasoil futures hit by slump in demand

GASOIL PRICES on London's International Petroleum Exchange (IPE) fell heavily this week with prices reaching the lowest levels since the exchange opened last April.

The fall, which accelerated following the British National Oil Corporation's offer to cut \$4 a barrel of its crude price, reflected the general over-supply of gasoil in the face of very slack consumer demand.



MARKET REPORTS

BASE METALS

Copper-March 67.65-67.70 (87.70), starting. Unsubstantiated rumours of Brazil's death helped boost values. Lead rose strongly after touching a peak of \$264 before ending at \$267 on trade easing.

NICKEL

Spot: 3080-30 - 30 3085-60 +2.8 3 months: 3085-90 - 30 3090-65 +4.5

WHEAT

Yest'd's + or - Yest'd's + or - Month close close Mar: 112.00 +0.89 106.00 -0.48 Apr: 112.50 +0.18 110.65 -0.26

AMERICAN MARKETS

NEW YORK, March 5. Precious metals continued under technical selling pressure. Copper could not hold its midday rally and sold off on the close in sympathy with complex refined on the close on spotty anticipatory buying.

INDICES

Table with columns: Dow Jones, Financial Times, Moody's, Reuters. Rows show values for Mar 4, Mar 5, Mar 6, and 3-month ago.

WEEKLY PRICE CHANGES

Table showing weekly price changes for various commodities. Columns include Commodity, Lastest price per tonne, Change on week, Year ago, and 1981/82 High/Low.

LEAD

Cash 349.50 +4.5 349.50 +4.25 3 months 347.50 +5 357.5 +1.5

ZINC

Cash 442.4 +4.4 442.4 +4.25 3 months 440.5 +4.7 450.5 +1.5

COFFEE

Short-covering in nearby positions dominated a steady opening, reports Drexel Burnham Lambert. Spot March 1982 but with other positions falling to record prices.

COCAOA

After opening lower, cocoa remained steady to register gains of up to 6p. Prices slipped back on New York's report of a 10 per cent increase in West African cocoa output.

SOYABEAN MEAL

The market opened 50p higher in thin conditions, reports T. G. Roddick. Selling to remain a factor throughout the day to close at opening levels.

SUGAR

LONDON DAILY PRICE—Raw sugar £155.00 (same) a tonne of March-April shipment. With sugar daily price £187.50 (£168.50).

1 Unquoted. (g) Madagascar. (h) April. (i) May. (j) May-June. (k) Mar-Apr. (l) Feb-Mar. (m) March. (n) Nov. (o) May-June. (p) Mar-Apr. (q) May-June. (r) Mar-Apr.

BANKS, DISCOUNT (840)

Table listing various banks and discount rates, including Allied Irish Banks, Bank of Montreal, and others.

BREWERS (499)

Table listing various breweries and their associated companies, such as Guinness, Carlsberg, and others.

COMMERCIAL (1,978)

Table listing various commercial entities and their details, including insurance companies and service providers.

APPOINTMENTS

Financial controller for Bowthorpe

LOCAL AUTHORITY BOND TABLE

Main table of stock exchange dealings, listing various companies and their share prices.

Table listing various companies and their share prices, including Anglo American, Anglo Irish, and others.

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APPOINTMENTS

Mr S. J. Salmon has been appointed general financial controller of BOWTHORPE HOLDINGS.

Mr Peter E. Daly deputy general manager of NORTHWINTER GROUP INSURANCE AUSTRALIA.

APPOINTMENTS

Mr Brian J. Tierney has been elected regional president at the annual conference of the BRITISH FRANCHISE ASSOCIATION.

Mr Tony Jacobsen has been appointed director of the P. C. HENDERSON GROUP.

APPOINTMENTS

Mr Keith Backett has been appointed managing director of ROCHAS PER-FUMES.

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APPOINTMENTS

Mr Keith Backett has been appointed managing director of ROCHAS PER-FUMES.

Mr Paul Breaux, marketing director of SEACRA GROUP, has been promoted to vice-president and marketing director.

Shipping (84) table listing various shipping companies and their services.

Utilities (27) table listing utility companies and their services.

Unlisted Securities Market (27) table listing various unlisted securities.

Table listing various companies and their stock prices, including Anglo, Arrol, and others.

Table listing various companies and their stock prices, including Anglo, Arrol, and others.

Table listing various companies and their stock prices, including Anglo, Arrol, and others.

Table listing various companies and their stock prices, including Anglo, Arrol, and others.

FT UNIT TRUST INFORMATION SERVICE

OFFSHORE & OVERSEAS FUNDS

Large table listing various offshore and overseas funds with their details and performance.

Large table listing various offshore and overseas funds with their details and performance.

THE POUND SPOT AND FORWARD

Table showing pound spot and forward rates for various currencies.

EXCHANGE CROSS RATES

Table showing exchange cross rates for various currencies.

EURO-CURRENCY INTEREST RATES

Table showing Euro-currency interest rates for various currencies.

LONDON MONEY RATES

Table showing London money rates for various currencies.

UK CONVERTIBLE STOCK 6/3/82

Table showing UK convertible stock prices and details.

EXCHANGES AND BULLION

Text discussing exchange rates and bullion markets.

GOLD

Table showing gold prices and market activity.

Applications granted for specific

Text regarding applications for specific securities.

Applications granted for specific

Text regarding applications for specific securities.

Applications granted for specific

Text regarding applications for specific securities.

Applications granted for specific

Table showing applications for specific securities.

LONDON STOCK EXCHANGE

Growing conviction of imminent UK base rate cuts climaxes another strong week in Government stocks

Account Dealing Dates

First Declared Last Account Dealings Dates... Mar 15 Mar 25 Mar 26 Mar 27

Growing conviction that another round of UK base lending rate cuts will be announced either before or shortly after next Tuesday's Budget again dominated sentiment in London stock markets yesterday.

cheaper at 21p. Amersham eased 2 to 190p on lack of interest.

Still drawing strength from Press comment, the major clearing banks made further good progress. Additionally helped by a broker's recommendation, Barclays closed 10 higher at 505p, after a high of 506p.



FT INDUSTRIAL ORDINARY INDEX

Company prompted renewed dullness in Thorn EMI which were sold down to 417p before a late rally left a close of 428p, down only 5 on balance.

Trading conditions in the Engineering sector remained extremely slow, but leading issues trended a few pence firmer. Tubes, awaiting next Wednesday's announcement of preliminary figures, advanced 2 1/2 to 128p.

Renewed speculative demand in a market short of stock limited British Sugar 17 to 198 1/2 pence of 450p, but Kwik Save shed 8 to 248p following a sell recommendation.

touched 240p before closing a net 3 up at 238p, while Mountview Estates, still reflecting an investment recommendation, advanced 15 to 172p.

Leading Oils steady. Leading Oils finished the week quietly, but held relatively steady after recent marked weakness. Shell edged up 4 to 343p and British Petroleum closed a couple of pence dearer at 288p.

Depressed recently by the Board's downgraded profits forecast, Gill and Duffus came on offer again at 140p, down 4.

Shippings were noticeably firmer following the Roper Smiths' down 8 at 180p, and the A 10 down at 117p. British and Commonwealth eased 5 to 38p, but P & O Deferred followed the trend in leading issues and closed 3 firmer at 128p.

Business in South Africa. Australian Golds finished at the day's lowest. Gold Mines of Kalgoorlie finished 15 lower at 185p, while Central Norseman revealed disappointing first-half figures earlier in the week, gave up 3 more to 73p.

Gold improved significantly following the sharp fluctuations of the British price. Gold opened lower at around 3340 and moved before closing only \$1 lower at \$343.25 for a fall on the week of \$18.75.

The Gold Mines index eased 5.2 to 228.3, a loss of 37.1 on the week. The absence of any concerted support from either Johannesburg or the U.S. left Gold shares to take their lead from the metal price and the heavyweights also played an understandably weak appearance.

Among Gold-based Financials, "Amgold" eased 1 1/2 to 231, while Gencor, 43 lower at 750p, failed to attract follow-through support in the wake of Thursday's better-than-expected preliminary results.

Gold Fields again featured London issues and moved between extremes of 380p and 365p before settling for a net fall of 2 at 373p.

Downward pressures on domestic interest rates made for a dull session in Australasia. Western Mining eased 5 to 200p, while Meekatharra were particularly weak at 110p, down 16. EZ Industries decayed 5 for a fall on the week of 40 to 185p following the rights issue announcement.

FINANCIAL TIMES STOCK INDICES

Table with columns for Mar 5, Mar 4, Mar 3, Mar 2, Mar 1, Feb 28, Year ago. Rows include Government Secs, Fixed Interest, Industrial Ord., Gold Mines, Ord. Div. Yield, Earnings Yld. 5 (full), P/E Ratio (net), Total bargain, Equity turnover, and Equity bargain.

Base 100. Govt Secs, 15/10/78. Fixed Int, 15/10/78. Industrial Ord., 1/1/78. Gold Mines 12/9/55. SE Activity 1974. 10 am 555.2, 11 am 557.7, Noon 558.0, 1 pm 558.4, 2 pm 559.0, 3 pm 559.0. Latest Index 61,246,828. *NH-11.22.

Table with columns for 1981/2, High, Low, High, Low. Rows include Govt Secs, Fixed Int, Ind. Ord., and Gold Mines.

NEW HIGHS AND LOWS FOR 1982

Table listing various stocks and their new highs and lows for 1982. Includes categories like British Funds, Building Societies, Chemicals, and Electricals.

RISES AND FALLS

Table showing rises and falls in stock prices. Columns include Yesterday, Rise/Fall, and Rise/Fall %.

LEADERS AND LAGGARDS

Table listing percentage changes since December 31, 1981, based on Thursday, March 4, 1982. Includes categories like Tobacco, Chemicals, and Consumer Goods.

ACTIVE STOCKS

Table listing active stocks with columns for Stock, Closing price, Day's change, and Buy's price.

THURSDAY'S ACTIVE STOCKS

Table listing Thursday's active stocks with columns for Stock, No. of shares, Thursday's price, and Day's change.

5-DAY ACTIVE STOCKS

Table listing 5-day active stocks with columns for Stock, No. of shares, Thursday's price, and 5-day change.

LONDON TRADED OPTIONS

Large table listing London traded options with columns for Option, Strike price, Closing price, Vol., and Equity close.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table showing FT-Actuaries Share Indices for various equity groups and sub-sections as of Fri March 5 1982. Includes columns for Index No., Day's change, and High/Low.

FIXED INTEREST

Table showing average gross redemption yields for various fixed interest instruments. Includes columns for Instrument, Yield, and Maturity.

RECENT ISSUES

Table listing recent issues of equities with columns for Issue price, 1981/2 High/Low, and Stock.

FIXED INTEREST STOCKS

Table listing fixed interest stocks with columns for Issue price, 1981/2 High/Low, and Stock.

"RIGHTS" OFFERS

Table listing rights offers with columns for Issue price, Latest Return, 1981/2 High/Low, and Stock.

OPTIONS

Table listing options with columns for First Last, Last Declared, and Settlements.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Aberdeen Unit Trust Managers, Allport Unit Trust Managers, and others, with columns for name, address, and contact details.

Table listing unit trusts under the heading 'Lloyds Unit Trust Mgmt. Ltd. (a)', including various equity and bond funds with their respective performance metrics.

Table listing unit trusts under the heading 'Barclays Life Assur. Co. Ltd.', including various equity and bond funds with their respective performance metrics.

Table listing unit trusts under the heading 'Scottish Widows Fund Management', including various equity and bond funds with their respective performance metrics.

INSURANCE BONDS

Table listing insurance bonds from various providers like Eagle Star Insurance, Royal Sun Alliance, and others.

NOTES: Information regarding the accuracy of the data, the date of the information, and other relevant details for the unit trust listings.

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FT SHARE INFORMATION SERVICE

FOOD, GROCERIES—Cont. Table with columns for Stock, Price, % Chg, etc.

BRITISH FUNDS Table with columns for Name, Price, % Chg, etc.

LOANS—Continued

Table of financial data under LOANS—Continued

BANKS & H.P.—Cont.

Table of financial data under BANKS & H.P.—Cont.

CHEMICALS, PLASTICS—Cont.

Table of financial data under CHEMICALS, PLASTICS—Cont.

ENGINEERING—Continued

Table of financial data under ENGINEERING—Continued

HOTELS AND CATERERS

Table of financial data under HOTELS AND CATERERS

Five to Fifteen Years Table with columns for Name, Price, % Chg, etc.

FOREIGN BONDS & RAILS

Table of financial data under FOREIGN BONDS & RAILS

DRAPERY AND STORES

Table of financial data under DRAPERY AND STORES

HIRE PURCHASE, ETC.

Table of financial data under HIRE PURCHASE, ETC.

INDUSTRIALS (Misc.)

Table of financial data under INDUSTRIALS (Misc.)

AMERICANS

Table of financial data under AMERICANS

Over Fifteen Years Table with columns for Name, Price, % Chg, etc.

BEERS, WINES AND SPIRITS

Table of financial data under BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

Table of financial data under BUILDING INDUSTRY, TIMBER AND ROADS

ELECTRICALS

Table of financial data under ELECTRICALS

CANADIANS

Table of financial data under CANADIANS

BANKS AND HIRE PURCHASE

Table of financial data under BANKS AND HIRE PURCHASE

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

Table of financial data under INT. BANK AND O'SEAS GOVT. STERLING ISSUES

CORPORATION LOANS

Table of financial data under CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

Table of financial data under COMMONWEALTH AND AFRICAN LOANS

LOANS Public Board and Ind.

Table of financial data under LOANS Public Board and Ind.

FOOD, GROCERIES, ETC.

Table of financial data under FOOD, GROCERIES, ETC.

REDAUNDANCY

Table of financial data under REDAUNDANCY

Table of financial data under various categories including AMERICANS, BEERS, WINES AND SPIRITS, BUILDING INDUSTRY, TIMBER AND ROADS, ELECTRICALS, CANADIANS, BANKS AND HIRE PURCHASE, COMMONWEALTH AND AFRICAN LOANS, LOANS Public Board and Ind., FOOD, GROCERIES, ETC., REDAUNDANCY, INTERNATIONAL INVESTMENT, BUYING A HOUSE, EXPATRIATES, PLANNING FOR A LIFETIME, INDEXT-LINKED INVESTMENTS

A FINANCIAL TIMES SURVEY PERSONAL FINANCIAL PLANNING 17 APRIL 1982 The Financial Times is planning to publish a survey on Personal Financial Planning. The provisional date and editorial synopsis are set out below. INTRODUCTION Persistently high real returns have forced investors to change their habits. Growing attention paid to short-term instruments and specialised funds, such as currency and commodity syndicates. Investor protection—a look at the Department of Trade's new rules for licensed advisers and professor Gower's report. Editorial coverage will also include: REDAUNDANCY INTERNATIONAL INVESTMENT BUYING A HOUSE EXPATRIATES PLANNING FOR A LIFETIME INDEXT-LINKED INVESTMENTS Copy date: 2nd April 1982 For further information and advertising rates please contact: Guy Mainwaring-Dorton Financial Times, Brackton House, 10 Cannon Street, London EC4P 4BY Tel: 01-248 8000 Ext. 3606 Telex: 885033 FINTIM G The size, contents and publication dates of surveys in the Financial Times are subject to change at the discretion of the Editor.

INDUSTRIALS—Continued

Table of industrial stocks including companies like British Petroleum, Shell, and ICI, with columns for stock price, price change, and volume.

LEISURE—Continued

Table of leisure stocks including companies like British Airways, British Telecom, and British Gas, with columns for stock price, price change, and volume.

PROPERTY—Continued

Table of property stocks including companies like British Land, Wimpey, and Taylor Woodrow, with columns for stock price, price change, and volume.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including companies like British Venture, British Venture Income, and British Venture Growth, with columns for stock price, price change, and volume.

OIL AND GAS—Continued

Table of oil and gas stocks including companies like British Petroleum, Shell, and ICI, with columns for stock price, price change, and volume.

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MINES—Continued

Table of mining stocks including companies like Anglo-American, Anglo-Platinum, and Anglo-Titanium, with columns for stock price, price change, and volume.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including companies like British Aerospace, British Leyland, and British Motor Industry, with columns for stock price, price change, and volume.

COMMERCIAL VEHICLES

Table of commercial vehicle stocks including companies like British Leyland, British Motor Industry, and British Van Industry, with columns for stock price, price change, and volume.

SHOES AND LEATHER

Table of shoes and leather stocks including companies like British Leather, British Shoe Industry, and British Footwear, with columns for stock price, price change, and volume.

SOUTH AFRICANS

Table of South African stocks including companies like Anglo-American, Anglo-Platinum, and Anglo-Titanium, with columns for stock price, price change, and volume.

TEXTILES

Table of textile stocks including companies like British Textiles, British Clothing, and British Fashion, with columns for stock price, price change, and volume.

OVERSEAS TRADERS

Table of overseas trader stocks including companies like Anglo-Indo-China, Anglo-Indo-French, and Anglo-Indo-American, with columns for stock price, price change, and volume.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stocks including companies like British Newspapers, British Publishers, and British Media, with columns for stock price, price change, and volume.

PAPER, PRINTING ADVERTISING

Table of paper, printing, and advertising stocks including companies like British Paper, British Printing, and British Advertising, with columns for stock price, price change, and volume.

TOBACCO

Table of tobacco stocks including companies like British Tobacco, British Cigarettes, and British Smoking, with columns for stock price, price change, and volume.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including companies like British Trusts, British Finance, and British Land, with columns for stock price, price change, and volume.

TEAS

Table of tea stocks including companies like British Tea, British Tea Industry, and British Tea Company, with columns for stock price, price change, and volume.

RUBBERS AND SISALS

Table of rubber and sisal stocks including companies like British Rubber, British Sisal, and British Rubber Industry, with columns for stock price, price change, and volume.

INSURANCE

Table of insurance stocks including companies like British Insurance, British Life, and British Assurance, with columns for stock price, price change, and volume.

PROPERTY

Table of property stocks including companies like British Land, British Property, and British Real Estate, with columns for stock price, price change, and volume.

FINANCE, LAND

Table of finance and land stocks including companies like British Finance, British Land, and British Investment, with columns for stock price, price change, and volume.

OIL AND GAS

Table of oil and gas stocks including companies like British Petroleum, Shell, and ICI, with columns for stock price, price change, and volume.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks including companies like British Diamonds, British Platinum, and British Gemstones, with columns for stock price, price change, and volume.

NOTES

Notes section containing various financial notices, company announcements, and market updates.

REGIONAL MARKETS

Table of regional market data including stock prices and volume for various regions like London, New York, and Tokyo.

OPTIONS

Table of options data including call and put options for various stocks and indices.

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MAN IN THE NEWS

Mr Wrong gets it right

BY ANTHONY THORNCROFT

"My greatest thrill was hearing the trumpets at the entry of the Queen and seeing faces peering down from everywhere," says Mr Henry Wrong, the administrator of the City of London's Barbican arts and conference centre, about its opening ceremony on Wednesday.

It must have been a thrill, too, for the City Fathers, who, with Wrong, have lived through twelve years of ups and downs — the downs coming from an opposition group on the City Corporation, which objected to the most valuable land in the world being frittered away on something as unprofitable as the arts, and from architects who persevered with designs more suitable to the more despised brutalist school of the 1960s, while the ups came from the cost of the project, which rose from £16m in 1970 to the current estimate of £153m.

Wrong seems to have weathered the experience quite well. A tall soft-spoken 51-year-old Canadian he has been involved with arts administration since, as an 18-year-old, he ran errands at Glyndebourne. Through Glyndebourne he met Rudolf Bing, soon to become the administrator at the Metropolitan Opera of New York. Wrong did his father's bidding and went to university in Toronto but every Christmas he



Henry Wrong
"Until this week the problems were in the future: now they are here"

sent Bing a card and on graduation a job of assistant stage manager was created for him at the Met.

From then on it was a steady rise through the hierarchy at the Met, overseeing its move to the Lincoln Centre, followed by a few unhappy years back in Canada organising the National Arts Centre in Ottawa and the 1967 centennial celebrations. Wrong found Ottawa too remote from London and New York and naturally became one of the 130 applicants for the job of administrator when the Barbican arts centre got its final go-ahead in 1970.

At the time no one realised what a big job Wrong was taking on — at least of all the City who picked up the growing bill for the strikes and construction problems which delayed the opening from the projected 1975 until this week. Most years Wrong has been called back from holiday to deal with a new crisis. He has great respect for the Corporation — "they have behaved like gentlemen". His biggest battles were with the architects but in the main he succeeded in making the interior of the centre more carpeted and colourful than originally planned.

Wrong's worries are not over. "Until this week the problems were in the future: now they are here." But forward bookings are above forecast, especially for the concert hall which has the London Symphony Orchestra in residence. In May the Royal Shakespeare Company starts public previews of its June opening of Henry IV Parts One and Two.

Wrong has no official contract with the Barbican but he intends to stay on for a while. He is finally moving with his family into a flat on the site which he was promised when he took on the job and where he can indulge his passion for cooking. But rather mysteriously Wrong says there is one more job he would really like — and it is in the UK. Well, Sir Roy Shaw is due to retire as secretary general of the Arts Council next year and since the Barbican was built without a penny of taxpayers' money Henry Wrong would qualify as a new broom owing no favours,

Signs of KGB challenge to Brezhnev increase

BY DAVID SATTER IN MOSCOW

EVIDENCE MOUNTED yesterday that the arrest of Mr Boris Buryatia, the reputed lover of Galina Churbanov, daughter of President Leonid Brezhnev of the Soviet Union, is part of an unprecedented challenge to Mr Brezhnev's authority by the KGB security police.

According to some reports the arrest of Mr Buryatia, a singer in the Bolshoi Theatre, was ordered originally by Mr Scaryon Tsvigun, the deputy head of the KGB. It took place after rare diamonds stolen on December 27 from the home of Irina Bugrimova, a non-tamer in the Soviet circus, were found in Mr Buryatia's possession.

Mr Tsvigun's decision to arrest Mr Buryatia is said to have led to a violent quarrel between Mr Tsvigun and Mr Mikhail Suslov, the leading party ideologist. In the aftermath of the quarrel, it is claimed, Mr Tsvigun committed suicide on January 19.

The report of Mr Tsvigun's suicide cannot be confirmed but it comes from sources who have been consistently reliable in the past. It provides the first plausible explanation for the signs of growing tension between Mr Brezhnev and his close colleagues and the KGB.

The atmosphere of uncertainty in Moscow was heightened yesterday by the dismissal of Mr Alexei Shibaev, the leader of the Soviet trade union organisation. He was a protégé of Mr Brezhnev.

On Thursday Pravda, the Communist Party newspaper, reported that Mr Brezhnev and six members of the party's Politburo attended a performance of a play about the last days of Lenin at the Moscow Arts Theatre.

Collective visits to the ballet or theatre by Politburo members were in the past intended as demonstrations of unity at times of crisis, such as during the Cuban missile affair, or on the eve of the arrest in 1953 of Beria, former head of Stalin's secret police.

The signs of a conflict between Mr Brezhnev and the KGB have, in recent weeks, become unmistakable.

After Mr Tsvigun's death neither Mr Brezhnev nor Mr Suslov signed his published obituary even though Mr Tsvigun was a leading member of the Communist Party Central Committee and, reportedly, a relative of Mr Brezhnev by marriage.

Mr Tsvigun's obituary was

signed, however, by all of the top leaders of the KGB, who usually prefer anonymity. Their signatures indicated that whatever Mr Tsvigun had done to alienate Mr Brezhnev, he still enjoyed the support of the KGB.

On January 25 Mr Suslov died of a stroke, said by one source to have been hastened possibly by his violent disagreement with Mr Tsvigun. During the argument Mr Suslov was reported to have told Mr Tsvigun his career was finished and the only thing left to do was to commit suicide.

On January 26, when the Soviet Party leadership including presumably Mr Brezhnev was distracted by the elaborate ceremony surrounding Mr Suslov's funeral, Mr Buryatia was arrested by the KGB, which handles corruption cases involving diamonds and hard currency.

In the weeks since then Soviet officials who deal with foreigners have spread the news of Mr Buryatia's arrest, and have volunteered hints about the drinking problems of Mr Brezhnev's son Yuri. The only Soviet officials with ready access to foreigners are affiliated, directly or indirectly, with the KGB.

Teachers to stop supervision of lunches in protest over pay

BY JOHN LLOYD, LABOUR EDITOR

THE COUNTRY'S two biggest teachers' unions will begin serious disruptive action on Thursday in protest at their employers' refusal to allow their current pay claim to go to arbitration.

The National Union of Teachers and the National Association of Schoolmasters, who represent about 75 per cent of the 465,000 primary and secondary teachers, will refuse to supervise school lunches or take part in staff or parental meetings outside school hours.

The result is expected to be closure at lunchtime of most schools, and partial or complete closure of rural schools because children in rural areas often have to travel further than urban children to go home for lunch.

Last year the Government changed the system of referral to arbitration, which had been compulsory on both sides if one side called for it. Now one side can exercise a veto on arbitration — as the local authorities have done.

Mr Don Winters, chairman of the NUT salaries committee, said: "The employers have indicated they prefer strife, and they are going to get it."

But the NUT has told local authorities that if they individually indicate support for the unions' right to go to arbitration, they will be exempt from the action, at least for a time. The union has also withdrawn its invitation to Sir Keith

Joseph, the Education Secretary, to speak at its annual conference in Scarborough next month.

The local authorities said last night that industrial action was "completely unjustified".

The employers had refused arbitration because they believed there was still room for negotiation.

They said that to force the authorities to negotiate under duress was bound to make a settlement more difficult.

Mr Jarvis said the NUT was still willing to talk if there was any chance of "meaningful discussions".

However, last night Mr Alistair Lawton, leader of the employers' side, said he was astonished that the unions had decided to take industrial action when negotiations on their pay claim had hardly begun.

The 3.4 per cent offer had been made because a bigger offer would have meant fewer teachers or more education service cuts.

Mr Lawton accused the unions of failing to realise the financial restraints placed on local education authorities. He emphasised that the employers had not broken off negotiations.

BSC to impose flexible manning

BY MARK MEREDITH AND BRIAN GROOM

THE British Steel Corporation has decided to introduce unilaterally a scheme of flexible manning and new working practices at its Ravenscraig works in Scotland on Monday, after failing to win union approval.

Representatives of the six unions at Ravenscraig — one of BSC's five key integrated works — have warned of an explosive situation next week, when the scheme comes into effect.

The plan, which involves 600 redundancies from the Ravenscraig complex, is said by management to be vital for the survival of the works, which employ 5,700 workers.

Continued from Page 1

Mortgage rate cut expected

In the money markets the three-month interbank rate was down ½ point to 13½ per cent. The Eurodollar rate fell by between ½ and ¾ point, with the three-month rate at 14½ per cent.

The Bank had held its dealing rates firm against the downward trend of market rates this week, but this is interpreted merely as a signal that it thinks a move before the Budget would be premature.

A cut in the mortgage rate

Local productivity negotiations linked to redundancies, with increases in lump sum bonuses, are taking the place of a national pay award throughout BSC this year.

Agreement was reached last night with the Iron and Steel Trades Confederation, the biggest union, at the Teesside works. Following agreements at Port Talbot and Llanwern in Wales this means BSC has achieved local deals with all unions at three of its five biggest plants. Negotiations are continuing at Scunthorpe.

According to Mr Clive Lewis, divisional officer of the ISTC, the crunch may come at Ravenscraig on Monday when men might be sent home by management and the new working practices come into operation.

Mr Lewis said: "The management does not recognise the progress that has been made and it has chosen to use the bludgeon."

He denied the union was being slow to adopt the measures. There had been four meetings within the past four weeks on the proposals "and there are 42 pages to this agreement," he added.

Continued from Page 1

Thatcher reshuffle

Ministers of State receive a salary of £19,775 a year and Parliamentary Under-Secretaries receive £15,100 a year, in both cases in addition to a parliamentary allowance of £8,130 a year.

There will be considerable interest to see what attitude Mr Clarke takes on a number of the difficult health issues now faced by the Government, and in particular his view on the growth of private health care.

would bring down cost of home loans for the first time since March 1981, and would be welcomed by the Government, housebuyers and the building industry.

The societies believe that once the mortgage rate falls below 14 per cent they can begin to regain the ground lost to the banks in the mortgage market. The banks have recently been accounting for up to 40 per cent of all net

mortgage advances.

A ½ point drop in mortgage rate implies a fall of 1 per cent point in investors' rates.

The rate of interest on Ordinary shares now stands at 9.75 per cent, equivalent to 13.98 per cent gross for standard-rate taxpayers.

The societies will be anxious to pitch their new rate at a level which still proves attractive in the present very competitive savings market.

Gold price

that Moscow has made no net gold sales for the past three weeks.

In mid-February reports in Zurich of heavy Russian sales helped depress the price. Dealers believe the Soviet Union has recently been holding back from selling, partly because credits it arranged for wheat purchases from the U.S. and Australia.

In spite of the recent lull dealers feel Moscow has maintained a high sales rate by unloading 50 to 80 tonnes in January and February.

France told to lift ban on Italy's wine

By Larry Kilger in Brussels

THE European Court of Justice yesterday ordered France to reopen its frontiers to Italian wine imports. These had been the subject of bitter protests by French wine-growers.

The court issued an interim injunction pending the outcome of the European Commission's full proceedings against France, aimed at stopping the latest "wine war" between the two countries by the end of this month.

Lawyers said yesterday the injunction appeared to leave open the possibility of further delay, however, if France decides to apply the letter rather than the spirit of the court's decision.

France has been refusing considerable amounts of Italian imports because of what it claims to be "incomplete documentation" and possible fraud in declarations of both origin and content of the wine.

M Pierre Mauroy, the French Prime Minister, who was in Brussels yesterday for wide-ranging talks with commission officials, said that while he could not comment in detail because he had not had time to study the ruling, France would take the "appropriate measures to implement it."

The overall problem, however, would not simply disappear because of court judgments. What was needed was real reform to produce a "genuine common policy for wine, which France had long suggested."

The court instructed France that it must generally restrict its customs analysis of Italian consignments to 15 per cent of their total, and that the analysis must be completed within 21 days except where there is a particular justification to suspect fraud.

Italian imports are to be accepted unless there are substantial irregularities in documentation. In this case the Italian authorities are to be informed without delay and provided with relevant documents.

Lastly, if more than 5m litres are held up for more than 21 days, the Commission must be informed of the reasons.

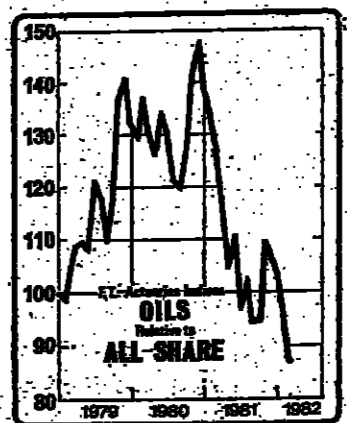
The "wine war" was resumed early last month when France reimposed its ban following widespread protests by domestic growers over the rising volume of cheap imports.

The Commission, angered that France was again apparently disregarding EEC rules only months after a political agreement allowing for a resumption of the wine trade with Italy, immediately took its case to the court.

THE LEX COLUMN

The Budget and money rates

Index rose 4.0 to 560.7



Last year's Budget was all about bringing down interest rates, but it has been only in the final weeks before the 1982 event that Sir Geoffrey Howe has been able to boast much success. This week interest rates have eased by a further ½ per cent or so — a figure that applies both at the long end of gilt-edged and in the short-term money markets — and all the talk now is of a further tumble in rates after the Chancellor has spoken. It, that is, Sir Geoffrey measures up to the City's idea of prudent stewardship. Already yesterday the rate at the Treasury Bill tender was down to little more than 12½ per cent, which can probably be taken to be signalling 18 per cent clearing bank base rates.

Gilt-edged rose every day this week, and holders of the long-dated stocks are now sitting on gains of something like 14 per cent since the start of the year. The gains are being encouraged by the remarkably smooth performance of sterling on the foreign exchanges, where falling money rates and a tumbling North Sea oil price have failed to cause alarm. Indeed, sterling has risen by nearly two cents against the dollar in the past week.

Whatever the domestic political pressure on Sir Geoffrey to turn on the spending taps, the foreign exchanges are dominated by traders who like the smack of firm budgetary management. And monetary assets like bonds have a new appeal at a time when deflation is in the air and the rock-solid inflation hedges of yesterday are crumbling away. The gold price, for instance, continues to be in wretched decline, reaching another new low yesterday.

Equities are emboldened in this about in value of tangible investments, which reflects the weakness of the world economy. British shareholders can be thankful that they have fared better than equity investors on Wall Street: the FT 30-Share Index has managed to put on 13.4 points this week. But the latest message from British industry is that demand is still very sluggish, after a briefly encouraging pick-up seen in some sectors last autumn.

The prevailing gloom which surrounds the oil share market looks most unlikely to be lifted either by next week's Budget or by the forthcoming preliminary

figures from British Petroleum and Royal Dutch/Shell. With a ¾ cut in the North Sea price to be reckoned with, it is probable that the Chancellor will introduce a major overhaul of oil taxation. And the current supply burden on the international oil market will leave the European majors with little ground for optimism.

The oil share sector has been underperforming the market almost consistently since the end of 1980. But the downward pressure on oil prices has only recently become the major depressant on equity values. As brokers Hoare Govett explained in a recent study, the substantial underperformance in 1981 was due in great measure to changes in oil taxation and reaction to an overbought position arising from political turmoil in the Middle East. In a technically weak market, the BP rights issue was hardly helpful.

Since the end of last year, however, the market has become overwhelmingly concerned with the softness in spot oil and product prices, together with a supply position which is currently being exacerbated by a seasonal downturn in demand. With the oil majors looking squarely at stock losses, there is little impetus for rebuilding inventories during a slack season.

It may be that Opec will resolve the supply problems at its emergency meeting later this month. But the British Government's example, in lopping ¾ off the price and then bumping up its North Sea production forecasts, is hardly encouraging.

The relative position of the European majors has, of course, improved. Saudi Arabia's benchmark price looks stranded at \$34, turning the Aramco advantage into more of a liability. But even this reversal is unlikely to put the refining margins of the European companies on to a solid footing.

The BP share price has fallen far enough to offer a double digit yield on what looks a safe final dividend, but there were still not many buyers at this week. Meanwhile, the potential price-tag on British, due to be sold by the Government in the autumn has probably fallen by around £700m since the end of last year.

R. P. Martin

R. P. Martin is helping Bepo and Mercantile House to sustain the current association of the money broking sector in investors' minds with growth, high profits and buoyant share prices. Earnings per share in Martin's first half to December have jumped 52 per cent to 15.61p. The pre-tax figure of £3.8m cannot fairly be compared with the £0.7m last year because since then the highly successful German money broker, Bierbaum, has joined the group, resulting in more than a doubling of business and of the issued share capital.

This merger, which had such a long and difficult gestation, looks so far like producing a natural fit. Martin's large network of offices has opened new markets for Bierbaum while the Germans' leading position in the important S/D-market has brought new zest to Martin's dealings. Operating margins in the London office, for example, are said to be up more than a third in the past six months, thanks largely to its keener prices for marks.

Bierbaum's own astonishing margin of 51 per cent is setting a daunting standard and the talk in London these days is all about improving dealer's productivity. That is probably a good idea in a business that has few tangible assets — 45p per share — to fall back on for the day when the fizz goes out of the foreign exchange markets.

In the meantime, however, the group seems well on the way to pre-tax profits of £3m this year. At 405p, up 2p, the prospective fully taxed p/e is about 11½.

Weather

UK TODAY:

CLOUDY with rain, becoming drier. Windy in North and West. Temperatures near normal.

London, most of England, Le.M., Channel Isles, Brighton later. Max. 10C (50F).

S.W. England, Wales, Scotland, Orkney & Shetland, Gales. Brighter later. Max. 10C (50F).

N. Ireland, becoming brighter. Max. 7C (45F).

Outlook: Changeable. Rain, with dry, bright interludes. Temperatures near normal.

WORLDWIDE

	Y day	Y day	Y day	Y day
	midday	midday	midday	midday
Alasacio	10	10	10	10
Amsd.m.	8	6	43	L. Ang. 3
Athens	18	61	Luxemb.	F 6
Bahrain	F 20	58	Luzon	S 27
Batavia	10	58	Manila	S 10
Beirut	S 8	48	Melbora	S 14
Bombay	S 8	43	Mexico	S 18
Buenos	S 4	43	Moscow	S 18
Cairo	S 8	43	Nairobi	S 18
Canton	S 8	43	Norfolk	S 18
Cebu	S 8	43	Osaka	S 18
Colon	S 8	43	Paris	S 18
Hankow	S 8	43	Rome	S 18
Hong Kong	S 8	43	Singapore	S 18
Kobe	S 8	43	Sydney	S 18
London	S 8	43	Taipei	S 18
Lyons	S 8	43	Tokyo	S 18
Manila	S 8	43	Winnipeg	S 18
Medan	S 8	43	Zurich	S 18
Mumbai	S 8	43		
Nairobi	S 8	43		
Osaka	S 8	43		
Paris	S 8	43		
Rome	S 8	43		
Singapore	S 8	43		
Sydney	S 8	43		
Taipei	S 8	43		
Tokyo	S 8	43		
Winnipeg	S 8	43		
Zurich	S 8	43		

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Sterling Deposits	29%
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Hong Kong Dollars	9%
Dutch Florin Deposits	6%
	100%

*The current estimated yield is 12.2% a year.

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